

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 20-F

☐ REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) or 12(g) OF THE *SECURITIES EXCHANGE ACT OF 1934*

OR

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE *SECURITIES EXCHANGE ACT OF 1934*

For the fiscal year ended December 31, 2005 (with other information to May 31, 2006 except where noted)

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE *SECURITIES EXCHANGE ACT OF 1934*

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 0-29578

**GETTY COPPER INC.**

(Translation of Registrant's name into English)

**BRITISH COLUMBIA, CANADA**

(Jurisdiction of incorporation or organization)

**1000 Austin Avenue  
Coquitlam, British Columbia, Canada, V3K 3P1**

(Address of principal executive offices)

**COMMON SHARES WITHOUT PAR VALUE**

(Title of Class)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of Each Class	Name of each exchange on which registered
None	Not applicable

Securities registered or to be registered pursuant to Section 12(g) of the Act

Common Shares without Par Value
(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act. None

Number of outstanding shares of Getty Copper Inc.'s only class of capital stock as at December 31st, 2005 was 34,078,657 Common Shares Without Par Value. (number outstanding on May 31st, 2006 is 39,078,657 )

Indicate by check mark whether Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the *Securities Exchange Act of 1934* during the preceding 12 months (or for such shorter period that Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒

No ☐

Indicate by check mark which financial statement item Registrant has elected to follow:

Item 17 ☒

Item 18 ☐

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether Registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the *Securities Exchange Act of 1934* subsequent to the distribution of securities under a plan confirmed by a court.

NOT APPLICABLE

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## **PART 1**

### **ITEM 1            IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS**

Not applicable (this is an Annual Report only).

### **ITEM 2            OFFER STATISTICS AND EXPECTED TIMETABLE**

Not applicable (this is an Annual Report only).

### **ITEM 3            KEY INFORMATION**

#### **A.            Selected Financial Data**

The following constitutes selected financial data for Getty Copper Inc. ("Registrant") for the last five fiscal years ended December 31, 2005, in Canadian dollars, presented in accordance with Canadian generally accepted accounting principles ("GAAP") and United States GAAP, including a restatement of prior years' figures due to a change in accounting policy with respect to exploration expenditures (see also the accompanying audited financial statement as of December 31, 2005 and for the previous year ended December 31).

(Cdn\$)

<u>Balance Sheet Data</u>	2005	2004	2003	2002	2001
Total assets according to financial statements (CDN GAAP) <sup>(1)</sup>	\$ 3,887,352	\$ 4,402,135	\$ 3,962,955	\$ 830,830	\$ 695,171
Total Assets (US GAAP) <sup>(2)</sup>	\$ 379,113	\$ 1,741,701	\$ 2,282,484	\$ 359,323	\$ 223,663
Total liabilities	\$ 629,806	\$ 710,408	\$ 623,053	\$ 544,223	\$ 572,211
Share capital	\$ 16,433,593	\$ 16,587,659	\$ 15,662,319	\$ 12,219,794	\$ 11,805,210
Deficit (CDN GAAP)	\$(14,036,773)	\$(13,750,967)	\$(13,104,383)	\$(12,701,152)	\$(12,450,216)
Deficit (US GAAP)	\$(21,309,944)	\$(20,176,333)	\$(18,549,786)	\$(16,864,467)	\$(16,613,531)

(Cdn\$)

<u>Period End Balances (as at)</u>	2005	2004	2003	2002	2001
Working capital (deficiency)	\$ (320,311)	\$ 952,672	\$ 1,569,880	\$ (91,736)	\$ (562,918)
Equipment, net	\$ 162,539	\$ 173,669	\$ 186,575	\$ 199,325	\$ 214,370
Mineral property interests (CDN GAAP)	\$ 3,508,239	\$ 2,660,434	\$ 1,680,471	\$ 471,508	\$ 471,508
Mineral property interests (US GAAP)	\$ NIL	\$ NIL	\$ NIL	\$ Nil	\$ Nil
Shareholders' equity	\$ 3,257,546	\$ 3,691,727	\$ 3,339,902	\$ 286,608	\$ 112,960
Share Capital (CDN GAAP)	\$ 16,433,593	\$ 16,587,659	\$ 15,662,319	\$ 12,219,794	\$ 11,805,210
Share Capital (US GAAP)	\$ 18,207,593	\$ 18,361,659	\$ 17,436,319	\$ 13,993,794	\$ 13,579,210
Number of outstanding Shares	34,078,657	32,743,657	27,593,657	33,487,313	28,402,313

No cash or other dividends have been declared.

(Cdn\$)

<u>Statement of Operations Data</u>	2005	2004	2003	2002	2001
Investment and Other Income	\$ 11,276	\$ 30,387	\$ 3,322	\$ 976	\$ 5,025
General and administrative expenses	\$ 297,082	\$ 676,971	\$ 406,553	\$ 251,603	\$ 199,786
Exploration Expenditure	\$ 847,805	\$ 979,963	\$ 96,066	\$ 40,275	\$ 130,803
Loss according to financial statements (CDN GAAP)	\$ (285,806)	\$ (646,584)	\$ (403,231)	\$ (250,936)	\$ (7,839,488)
Loss according to financial statements (US GAAP)	\$ (1,133,611)	\$ (1,626,547)	\$ (1,685,319)	\$ (250,936)	\$ (325,564)
Loss from continuing operations per Common Share	\$ (0.01)	\$ (0.02)	\$ (0.02)	\$ (0.02)	\$ (0.28)
Loss per Share (US GAAP) <sup>(2)</sup>	\$ (0.034)	\$ (0.058)	(0.072)	\$ (0.017)	\$ (0.01)

**Notes:**

- (1) Under Canadian GAAP applicable to junior mining exploration companies, mineral exploration expenditures can be deferred on prospective properties until such time as it is determined that further exploration is not warranted, at which time the property costs are written off. The Registrant has expensed the exploration costs as incurred until December 31 2005, which is consistent with U.S. GAAP, whereby all exploration expenditures are expensed until an independent feasibility study has determined that the property is capable of economic commercial production. Such costs will be deferred from January 2004 until such time as the company determines it if it has economically recoverable resources or until the exploration and development ceases and/or the mineral claims are abandoned.
- (2) Under Canadian GAAP, management incentive shares held in escrow are included in the calculation of loss per share. Under U.S. GAAP, shares held in escrow are excluded from the weighted average number of shares outstanding until such shares are released for trading. 187,500 shares were released from escrow during 2003.

Additionally, Statement of Financial Accounting Standards No.128: Earnings per Share ("SFAS 128") replaces the presentation of primary earnings per share ("EPS") with a presentation of both basic and diluted EPS for all entities with complex capital structures, including a reconciliation of each numerator and denominator. Basic EPS excludes dilutive securities and is computed by dividing income available to common stockholders by the weighted-average number of common shares outstanding for the year. Diluted EPS reflects the potential dilution that could occur if dilutive securities were converted into common stock and is computed similarly to fully diluted EPS pursuant to previous accounting pronouncements. SFAS 128 applies equally to loss per share presentations.

Stock options and warrants outstanding were not included in the computation of diluted loss per share as their inclusion would be antidilutive.

See Item 17 for accompanying consolidated financial statements prepared in accordance with Canadian generally accepted accounting principles for further details.

Except as may be otherwise indicated, all dollar amounts are stated in Canadian dollars, the Registrant's functional and reporting currency. The following tables set out the exchange rates, based on the noon buying rates in New York City for cable transfers in foreign currencies as certified for customs purposes by the Federal Reserve Bank of New York, for the conversion of Canadian dollars into one United States dollar. The average exchange rates are based on the average of the exchange rates on the last day of the month in such periods. Also included are the average exchange rates for each month during the previous six months.

	May 2006	April 2006	March 2006	February 2006	January 2006	December 2005
High	1.12	1.25	1.172	1.157	1.173	1.174
Low	1.09	1.21	1.132	1.140	1.144	1.152
Average for Period	1.11	1.144	1.157	1.149	1.157	1.162

For year ended December 31

	2005	2004	2003	2002	2001
End of Period	1.16	1.21	1.29	1.58	1.57
Average for Period	1.21	1.30	1.40	1.57	1.54
High for Period	1.26	1.39	1.58	1.61	1.59
Low for Period	1.15	1.18	1.29	1.51	1.50

**On May 31, 2006, the Federal Reserve noon rate for Canadian Dollars was US\$1.00: Cdn\$1.1027.**

**B. Capitalization and Indebtedness**

Not applicable (this is an Annual Report only).

**C. Reasons for the Offer and Use of Proceeds**

Not applicable (this is an Annual Report only).

**D. Risk Factors**

***Need for Additional Financing.*** With what has been raised from a private placement financing in January 2006 combined with what the Registrant plans to raise in June 2006, The Registrant will have sufficient financial resources to meet its planned commitments for the year ending December 31, 2006. The exploration and development of the Registrant's properties depend on the Registrant's ability to obtain additional financing through joint ventures, debt financing, equity financing or other means. The Registrant is currently pursuing financing opportunities to meet its administration costs. If the Registrant is unable to raise additional capital it will need to curtail its operations and the Registrant may be materially adversely affected.

***The Registrant has No History of Earnings and No Foreseeable Earnings.*** None of the properties in which the Registrant has or may acquire an interest has been determined to be commercially feasible and hence none have any commercial production. The Registrant has no history of profits and has a substantial deficit. The Registrant receives no revenues from production or otherwise and is entirely dependent on raising additional equity and loan financing. The Registrant has paid no dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. While the Registrant may receive funds from the exercise of outstanding share purchase warrants and stock options there are no assurances that this will occur. While the Registrant may generate additional working capital through joint venture or sale of its properties in whole or in part, there is no assurance that this will be possible..

***No Ore;*** The Registrant has no mineral producing properties, and the Registrant has not demonstrated that any mineralized material on its properties constitutes proven or probable reserves of ore on its properties. Although the mineralized material and mineralized deposit figures included herein have been carefully prepared by the Registrant, or, in some instances have been prepared, reviewed or verified by independent mining experts, these amounts are estimates only and no assurance can be given that any particular level of recovery of copper or other minerals from mineralized material will in fact be realized or that an identified mineralized deposit will ever qualify as a commercially mineable (or viable) reserve. Estimates of mineralized deposits and production costs can also be affected by such factors as metals prices, availability of capital for development, permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grade of mineralization ultimately mined (if any) may differ from that indicated by drilling results. Short term factors relating to mineralized material, such as the need for orderly development or the processing of new or different grades, may also have an adverse effect on mining operations and on the results of operations. There can be no assurance that copper and other minerals recovered in small scale laboratory tests will be duplicated in large scale tests under on-site conditions. Material changes in mineralized material, grades, stripping ratios or recovery rates may affect the economic viability of projects. Mineralized deposits are reported as general indicators of mine life and should not be interpreted as assurances of mine life or of the profitability of current or future operations.

***Mineral Prices.*** Mineral prices are subject to fluctuation. The effect of these factors cannot accurately be predicted. The mining industry in general is intensely competitive and there is no assurance that, even if commercial quantities of mineral resource are discovered, a profitable market will exist for the sale of the same. Factors beyond the control of the Registrant may affect the marketability of any copper or any other materials discovered. The price of copper is affected by numerous factors beyond the control of the Registrant, including international economic and political trends, expectations of inflation, currency exchange fluctuations (specifically, Canadian dollars relative to other currencies), interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods.

***Risks of Development, Construction and Mining Operations.*** The Registrant's ability to meet production, timing and cost estimates for its properties cannot be assured. Technical considerations, delays in obtaining governmental approvals, inability to obtain financing and other factors could cause delays in developing properties. Such delays could materially adversely affect the Registrant's business, financial condition and results of operation. In addition,

while time and cost estimates for exploration, development and construction required at the Registrant's properties in some cases may include contingency factors to allow for unanticipated increases in costs such as materials and labour costs, these estimates could be exceeded. See "Special Note Regarding Forward Looking Statements."

The business of mining is subject to a variety of risks such as cave-ins and other accidents, flooding, environmental hazards, the discharge of toxic chemicals and other hazards. Such occurrences may delay production, increase production costs or result in liability. The Registrant may become subject to liability for hazards which it cannot insure against or which it may elect not to insure against because of premium costs or other reasons. In particular, the Registrant is not insured for environmental liability or earthquake damage.

***Environmental Risks.*** Existing and possible future environmental legislation, regulations and actions could give rise to additional expense, capital expenditures, restrictions and delays in the activities of the Registrant, the extent of which cannot be predicted. Regulatory requirements and environmental standards are subject to constant evaluation and may be significantly increased, which could materially and adversely affect the business of the Registrant or its ability to develop its properties on an economically feasible basis. Before development and production can commence on any of its properties, the Registrant must obtain regulatory and environmental approvals. There is no assurance that such approvals will be obtained on a timely basis or at all. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations or preclude entirely the economic development of a property.

The current or future operations of the Registrant, including development activities and commencement of production on its properties, require permits from various foreign, federal, state and local governmental authorities and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased costs and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits.

Additional permits and analyses, which may include environmental impact studies conducted before permits can be obtained, may be necessary prior to operation of the properties in which the Registrant has interests and there can be no assurance that the Registrant will be able to obtain or maintain all necessary permits that may be required to commence construction, development or operation of mining facilities at these properties on terms which enable operations to be conducted at economically justifiable costs. See "Description of Property — Regulatory Requirements."

The Registrant may generate potentially hazardous material in its planned mineral extraction process and must operate in accordance with government-imposed environmental standards and regulations. Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have administrative, civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Existing or future amendments to laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Registrant and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

To the best of the Registrant's knowledge, the Registrant is operating in compliance with all applicable environmental regulations. The Registrant currently is not insured against environmental liabilities. Management believes that, because the Registrant is still in the exploration stage, there is minimal risk of incurring significant environmental liabilities, and further believes that this is in accordance with industry practice. The Registrant intends to obtain insurance for environmental liabilities if and when it becomes engaged in significant mining operations.

***The Registrant's Share Price is Volatile.*** Publicly quoted securities are subject to a relatively high degree of price volatility. It may be anticipated that the quoted market for the Common Shares of the Registrant will be subject to market trends generally, notwithstanding any potential success of the Registrant in creating sales and revenues.

***The Registrant's Directors and Officers are Part-Time and Serve as Directors and Officers of Other Companies.***

At May 31, 2006, Directors of the Registrant, Jean Jacques Treyvaud and David Shaw also serve as officers and/or directors of other resource exploration companies and are engaged and will continue to be engaged in the search for additional resource opportunities on their own behalf and on behalf of other companies, and situations may arise where these directors and officers will be in direct competition with the Registrant. Such potential conflicts, if any, will be dealt with in accordance with the relevant provisions of British Columbia corporate and common law. In order to avoid the possible conflict of interest which may arise between the directors' duties to the Registrant and their duties to the other companies on whose boards they serve, the directors and officers of the Registrant expect that participation in exploration prospects offered to the directors will be allocated between the various companies that they serve on the basis of prudent business judgment and the relative financial abilities and needs of the companies to participate. The success of the Registrant and its ability to continue to carry on operations is dependent upon its ability to retain the services of certain key employees and members of its board of directors.

***Likely PFIC Status Has Consequences for U.S. Investors.*** Potential investors who are U.S. taxpayers should be aware that the Registrant expects to be a passive foreign investment company ("PFIC") for the current fiscal year, and may also have been a PFIC in prior and may also be a PFIC in subsequent years. If the Registrant is a PFIC for any year during a U.S. taxpayer's holding period, then such U.S. taxpayer generally will be required to treat any so-called "excess distribution" received on its common shares, or any gain realized upon a disposition of common shares, as ordinary income and to pay an interest charge on a portion of such distribution or gain, unless the taxpayer makes a qualified electing fund ("QEF") election or a mark-to-market election with respect to the shares of the Registrant. In certain circumstances, the sum of the tax and the interest charge may exceed the amount of the excess distribution received, or the amount of proceeds of disposition realized, by the taxpayer. A U.S. taxpayer who makes a QEF election generally must report on a current basis its share of the Registrant's net capital gain and ordinary earnings for any year in which the Registrant is a PFIC, whether or not the Registrant distributes any amounts to its shareholders. A U.S. taxpayer who makes the mark-to-market election generally must include as ordinary income each year the excess of the fair market value of the common shares over the taxpayer's tax basis therein.

***Shares of the Registrant may be Affected Adversely by Penny Stock Rules.*** The Registrant's stock may be subject to U.S. "Penny Stock" rules which may make the stock more difficult to trade on the open market. The Registrant's common shares have traded on the Canadian Venture Exchange since April 25, 1988. For further details on the market performance of the Registrant's common stock, see "Item 5 Nature of Trading Market." Although the Registrant's common stock trades on the Canadian TSX Venture Exchange or "TSX V", the Registrant's stock may be subject to U.S. "penny stock" rules. A "penny stock" is defined by regulations of the U.S. Securities and Exchange Commission ("SEC") as an equity security with a market price of less than \$5.00 per share. However, an equity security with a market price under \$5.00 will not be considered a penny stock if it fits within any of the following exceptions:

- (i) the equity security is listed on NASDAQ or a national securities exchange;
- (ii) the issuer of the equity security has been in continuous operation for LESS than three years, and either has  
(a) net tangible assets of at least \$5,000,000, or (b) average annual revenue of at least \$6,000,000; or
- (iii) the issuer of the equity security has been in continuous operation for MORE than three years, and has net tangible assets of at least \$2,000,000.

If an investor buys or sells a penny stock, SEC regulations require that the investor receive, prior to the transaction, a disclosure explaining the penny stock market and associated risks. Furthermore, trading in the Registrant's common stock is currently subject to Rule 15c-2 of the Exchange Act, which relates to non-NASDAQ and non-exchange listed securities. Under this rule, broker/dealers who recommend the Registrant's securities to persons other than established customers and accredited investors must make a special written suitability determination for the purchaser and receive the purchaser's written agreement to a transaction prior to sale. Securities are exempt from this rule if their market price is at least \$5.00 per share.

Penny stock regulations will tend to reduce market liquidity of the Registrant's common stock, because they limit the broker/dealers' ability to trade, and a purchaser's ability to sell, the stock in the secondary market. The low price of the Registrant's common stock has a negative effect on the amount and percentage of transaction costs paid by individual shareholders. The low price of the Registrant's common stock also limits the Registrant's ability to raise additional capital by issuing additional shares. There are several reasons for these effects. First, the internal policies of certain institutional investors prohibit the purchase of low-priced stocks. Second, many brokerage houses do not permit low-priced stocks to be used as collateral for margin accounts or to be purchased on margin. Third, some brokerage house policies and practices tend to discourage individual brokers from dealing in low-priced stocks.



Finally, broker's commissions on low-priced stocks usually represent a higher percentage of the stock price than commissions on higher priced stocks. As a result, the Registrant's shareholders pay transaction costs that are a higher percentage of their total share value than if the Registrant's share price were substantially higher.

The rules described above concerning penny stocks may adversely affect the market liquidity of the Registrant's securities. The Registrant can provide no assurances concerning the market liquidity of its stock or that its stock will not be subject to "penny stock" rules. For more information about penny stocks, contact the Office of Filings, Information and Consumer Services of the U.S. Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549, or by telephone at (202) 272-7440.

**Legal Proceedings.** The Registrant is subject to three legal actions in the Province of British Columbia, Canada. The Registrant believes its claims will succeed before the court. See Item 8 for information regarding current legal proceedings.

**Possible Litigation.** It is possible as a result of the board's review of the 2002 mineral property acquisition that negotiations may be necessary to resolve any disputes, which may arise between the Registrant and Robak. If these negotiations are not successful litigation could result which may impact the company's outstanding shares or the company's interest in the Getty South Mineral Properties. While litigation generally has a adverse effect on a company, management believes it is premature to suggest a likelihood of litigation or its possible outcome at this time. See Item 7B & 8A.

## **ITEM 4 INFORMATION ON THE REGISTRANT**

### **SUMMARY**

#### **A. History and Development of The Registrant**

1. The legal name of the Registrant which is subject of the Annual Report on Form 20F is Getty Copper Inc.
2. The Registrant was incorporated on September 23, 1985 under the *Canada Business Corporations Act*.
3. The registered office of the Registrant in British Columbia is located at 4212 Prospect Road, North Vancouver, British Columbia, V7N 3L5. The head office and principal office of the Registrant in Canada is located at 1000 Austin Avenue, Coquitlam, British Columbia, V3K 3P1.

The Registrant's Common Shares are listed, for trading under the symbol "GTC" on the TSX V.

4. The Registrant was originally incorporated under the name Exxau Minerals Inc., pursuant to the Canada Business Corporations Act on September 23, 1985, with an authorized capital of an unlimited number of common shares without par value. The Registrant was organized for the purpose of engaging in the acquisition and exploration of natural resource properties. The Registrant became a reporting company in British Columbia on April 25, 1988. From 1985 through 1992, the Registrant concentrated its efforts on the acquisition and exploration of mineral resource properties. On September 3, 1992, the Registrant changed its name to Getty Copper Corp.

In early 1992, the Registrant had 8,088,111 Commons Shares issued and outstanding. 3,157,050 of such shares were held in escrow subject to certain restrictions and were initially issued in 1988 in exchange for common shares of Exxau, Inc., a wholly-owned subsidiary of the Registrant at that time; in exchange for limited partnership units of Exxau, Ltd., Limited Partnership; and in settlement of Exxau, Ltd., Limited Partnership's indebtedness to the shareholders of Exxau, Inc. None of the Registrant's exploration projects undertaken prior to 1992 proved to be commercially viable. All of the Registrant's properties acquired prior to 1992 were written off.

At the end of December 31, 2002 the Registrant had 33,487,313 shares outstanding. Effective March 7, 2003, the Company consolidated its capital on a 1:2 basis. The name of the Registrant was changed from Getty Copper Corp. to Getty Copper Inc. of which 16,743,656 common shares were issued and outstanding at that time.

5. From 1993 to present the Registrant's mineral exploration has been focused on its mineral properties located in the Highland Valley, British Columbia, Canada.

6. The Registrant's principal capital expenditures (there have been no material divestitures) over the three fiscal years ended December 31, 2005 are as follows:

Year	Exploration Deferred	Capital Assets
(i) Amounts Deferred (capitalized or invested) during the year		
2005	\$847,805	\$2,240
2004	\$ 979,963	\$1,005
2003	NIL	\$1,900
(ii) Amounts Expensed as Exploration Expenses		
2005	NIL	NIL
2004	NIL	NIL
2003	\$96,066	NIL

The Registrant expended \$1,907,021 of the \$2,015,000 flow through funds on mineral exploration by year ending 2005. The Registrant was required to spend this money on flow through expenses by December 31, 2004, and incurred approximately \$179,763 in government interest and tax penalties on non-expenditure of flow through funds.

#### **History of Getty North Property:**

Robak Industries Ltd. ("Robak"), a company owned and controlled by John Lepinski, and Masco Capital Inc. ("Masco"), a company controlled by John Lepinski, began negotiations in 1992 to acquire control of the Registrant in an effort to access the capital markets to develop its Getty North Property. The Registrant had no properties under exploration or development at that time.

In May 1993, the Registrant, pursuant to an arm's length purchase and sale agreement to acquire the Getty North Property, issued 5,000,000 of its Common Shares to Robak and 5,000,000 of its Common Shares to Masco. See "Interests of Management in Certain Transactions." The issuance of the 10,000,000 Common Shares resulted in a change in control of the Registrant.

The Registrant acquired the Getty North Property from Robak and Masco pursuant to an Agreement of Purchase and Sale dated June 30, 1992, as amended September 30, 1992, subject to a 1.5% net smelter return royalty reserved in favour of Robak. The Registrant issued into escrow 5,000,000 Common Shares to Robak and 5,000,000 Common Shares to Masco as consideration for the property, subject to the Registrant obtaining an Economic Ore Valuation on the Getty North Property establishing a minimum value of Cdn \$2,304,246 and approval by the Canadian Venture Exchange ("CDNX"). The shares were released to Robak and Masco from escrow after the Registrant obtained the required Economic Ore Valuation prepared by KHA Resource Modelling Inc. and approval from the CDNX on May 11, 1999. After the release of the escrow shares, title to the Getty North Property fully vested in the Company.

There are no old or existing mines on the Getty North Property.

#### **History of Getty South Property, Getty Central Property, Getty Southwest, Getty Central Property:**

In addition to the Getty Copper North Property, and all Getty Copper Highland Valley Claims, the Registrant subsequently acquired joint venture agreements to earn a 50% interest in the Getty South Property, the Getty Central Property, the Getty Southwest Property, and in the Transvaal Property (collectively, the "Getty Copper Project" or the "Getty Copper Highland Valley Project"). All of the Mineral Properties previously noted are subject to 1.5% net smelter royalties and the Getty South, Getty Central, Getty Southwest and the Transvaal properties were subject to certain minimum exploration and development requirements. As a consequence of a Mineral Property Interest Sale Agreement dated November 8, 2002 (See Item 7) the Registrant purchased 100% of the Getty Central and Getty Southwest claims and 50% of the Getty South claims See "Description of Property." Since 1992, the Registrant has focused its efforts and resources on the acquisition and the exploration of the Getty Copper Project. See "Description of Property - The Getty Highland Valley Project." The Registrant has no subsidiaries.

On March 7, 2003 the “TSX V” accepted for filing documentation a mineral property agreement dated effectively November 8, 2002 between the Registrant and Robak Industries Ltd. (“Robak”), by which Robak has agreed to sell 100% interest in each of the Getty Central and the Getty Southwest and a 50% interest in the Getty South properties (the “New Getty Properties”) in consideration for 6 million Registrant shares (post-consolidation) plus the below noted NSR and carried interest obligation. The Registrant has also agreed to pay 100% of the cost to place the Getty South property into production, and is entitled to recover “all costs (incurred by Getty),” from 80% of production revenue (and thereafter the Registrant and Robak shall share net revenue 50:50) Robak will also retain a 1.5% NSR in all of the Getty Properties including the New Getty Properties. The New Getty Properties are subject of a Valuation and Fairness opinion prepared by Ross Glanville and Associates Ltd. In October 2002 and a Technical Report prepared by W.J. McMillan prepared in December 2002. The Valuation Report and the Technical Report have been filed on the Canadian securities regulatory website at [www.SEDAR.com](http://www.SEDAR.com). (See also Item 7) Prior to the November 8, 2002 agreement described above, the Registrant was party to an option and joint venture agreement to earn a 50% interest in the Getty South Property from Robak and Masco pursuant to an Agreement dated November 8, 1995, as amended August 14, 1996 (the “Getty South Agreement”), subject to a 1.5% net smelter returns royalty reserved in favour of Robak. The consideration was \$10; reimbursement of \$63,300 for certain costs incurred by Robak in acquiring and maintaining the claims in good standing; and a commitment to (a) incur the first \$5,100,000 of exploration and development work on the claims, (b) complete a feasibility report prepared by a reputable engineer in accordance with industry practice on the claims and (c) place the claims in commercial production on or before December 31, 2002. The Getty South Agreement was superseded by the November 8, 2002 agreement.

Until superseded by the November 8, 2002 agreement, the Registrant had an option agreement to earn a 50% interest in the Getty Central Property from Robak Industries Ltd. and Masco Capital Inc. pursuant to an Agreement dated November 8, 1995, as amended August 14, 1996 (the “Getty Central Agreement”), subject to a 1.5% net smelter returns royalty reserved in favour of Robak. The consideration was \$10; reimbursement of \$9,300 for certain costs incurred by Robak in acquiring and maintaining the claims in good standing; and a commitment to (a) incur the first \$750,000 of exploration and development work on the claims, (b) complete a feasibility report prepared by a reputable engineer in accordance with industry practice on the claims and (c) to place the claims in commercial production on or before December 31, 2002.

Until superseded by the November 8, 2002 agreement, the Registrant also had a an option agreement to earn a 50% interest in the Getty Southwest Property from Robak Industries Ltd. and Masco Capital Inc. pursuant to an Agreement dated November 8, 1995, as amended August 14, 1996 (the “Getty Southwest Agreement”), subject to a 1.5% net smelter returns royalty reserved in favour of Robak. The consideration was \$10; reimbursement of \$13,300 for certain costs incurred by Robak in acquiring and maintaining the claims in good standing; and a commitment (a) to incur the first \$1,100,000 of exploration and development work on the claims, (b) complete a feasibility report prepared by a reputable engineer in accordance with industry practice on the claims and (c) a commitment to place claims in commercial product on or before December 31, 2002.

In December 2004, Highland Valley Copper (“HVC”) terminated its participation in a joint venture signed on December on December 19, 2003.

HVC spent \$2.3 million dollars on line cutting, induced polarization surveys and diamond drilling. Only intrusive rocks and structures surrounding the Transvaal Occurrence returned significant copper mineralization and accompanying alteration. Here sub economic copper mineralization within hydrobrecciated Guichon and Bethlehem intrusive were encountered. The Cinder hill area contains a large tertiary volcanic center and is deeply overburdened covered. The Glossie Copper Occurrence was not tested during this program. Only weakly anomalous copper and zinc mineralization was encountered within silicified and metasomatized Nicola volcanics overlying weakly altered intrusives in the north Valley IP anomaly. However the drilling here was very wide spaced and the Registrant will carefully review this work in relation to earlier exploration results to determine if additional untested targets exist in this area. The Iron sulphide mineralized tertiary volcanics intersected in hole 2004-16 returned only very weakly anomalous copper.

### **History of Transvaal Property:**

The Transvaal mineral claims were conditionally acquired in 1966 through an option agreement with Genco Resources Inc. (formally Globe Resources Ltd.), and are subject to a 1-1/2% net smelter royalty. The Registrant had a commitment to spend no less than \$525,000 on exploration and development during the seven years following the acquisition. Once this condition was met, the Registrant and Genco Resources Inc. were to enter into a joint venture. The Genco agreement expired on December 31, 2003, without the Registrant meeting its commitments. As at December 31, 2002 the Registrant had expended \$340,185 on this property.

Subsequently, the Registrant entered into an agreement to acquire 100 % of the Transvaal claims from Genco for a purchase price of \$275,000 to be paid by issuing the Registrant shares. This transaction has not been consummated.

## **B. Business Overview**

The Registrant is a natural resource company engaged in the acquisition and exploration of natural resource properties. The Registrant has an interest in several resource properties in Highland Valley, British Columbia, Canada and intends to seek and acquire additional properties worthy of exploration and development. The Highland Valley area is a historic copper producing area, and the Registrant's principal properties are in this mineralized area. The Registrant's long term objective is to develop and place its Getty Copper Project properties into commercial production. The Registrant's properties cover approximately 210 sq. km. (84 sq. miles) of contiguous claims in the Kamloops Mining Division of British Columbia, Canada. The Registrant's properties are currently in the exploration stage of development, and the Registrant's short term plans are to continue exploration activities to determine if sufficient mineralization exists to justify a feasibility study in respect of establishing parameters for possible future commercial production. In 2005, the Registrant's commissioned a metallurgy test program of its copper sulphide and copper oxide samples at SGS Lakefield Research Limited in Lakefield, Ontario. The goal of the test program is to determine the leach parameters and optimum chemistry for leaching copper from the Registrant's resource samples which have been forwarded to Lakefield. The second part of the program, continuing into 2006 is to confirm the solvent extraction electrowinning (SX-EW) parameters. This is a precondition of the express corporate goal of putting the Registrant's copper deposits into production.

## **C. Organizational Structure**

The Registrant is based in British Columbia, Canada. The Registrant operates directly and has no material subsidiaries.

## **D. Property, Plants and Equipment**

The registrant owns land and building in Logan Lake, British Columbia. This property is encumbered by a first mortgage in the amount of \$94,180 as of May 1, 2006. These premises are used for core storage, field offices and vehicle storage. For details of the Registrant's mineral properties, see Getty Copper Project below.

**Glossary** In this Form 20-F, the following terms have the meanings set forth herein:

### **A. Geological Terms**

<b>Adit</b>	A nearly horizontal mine access opening.
<b>Ag</b>	Used as the abbreviation for silver.
<b>Allochthonous</b>	Geological assemblage of foreign origin transported to present location.
<b>Argillite</b>	A sedimentary rock composed of compacted mud and clay particles.
<b>Argillic</b>	Pertaining to clay or clay minerals.
<b>Assay</b>	Quantitative test of minerals and ore by chemical and/or fire techniques.
<b>Au</b>	Aurum (Latin for gold) used as an abbreviation for gold.
<b>BLM</b>	Bureau of Land Management, the United States federal lands administrative authority.
<b>Breccia</b>	A coarse-grained clastic rock, composed of angular broken rock fragments held together by a mineral cement or in a fine-grained matrix.
<b>Calcareous</b>	Meaning a substance that contains calcium carbonate.

<b>Carbonate rock</b>	A rock consisting chiefly of carbonate minerals, such as limestone or dolomite.																					
<b>Chert</b>	A hard, extremely dense or compact, microcrystalline or cryptocrystalline sedimentary rock.																					
<b>Clastic</b>	Pertaining to a rock or sediment composed principally of broken fragments that are derived from pre-existing rocks or minerals and that have been transported some distance from their places of origin; also said of the texture of such a rock.																					
<b>Compression</b>	A system of forces or stresses that tends to decrease the volume or shorten a substance.																					
<b>Condemnation Drill Holes</b>	Holes drilled to test for the nonexistence of mineral deposits beneath an area designated for plant site or other infrastructure.																					
<b>Conglomerates</b>	A coarse-grained clastic sedimentary rock, composed of rounded to subangular fragments, set in a fine-grained matrix.																					
<b>Cretaceous</b>	A geological period between 66 and 135 million years ago and which identifies the formation date of strata (see Mesozoic).																					
<b>Cross-cut</b>	An underground mine opening driven perpendicular to a body of mineralization.																					
<b>Cryptocrystalline</b>	Said of the texture of a rock consisting of crystals that are too small to be recognized and separately distinguished even under the ordinary microscope.																					
<b>Currency and Measurement</b>	<p>All currency amounts in this Prospectus are stated in Canadian dollars unless otherwise indicated. Conversion into imperial equivalents is as follows:</p> <table><tr><td>Metric Units</td><td>Multiplied by</td><td>Imperial Units</td></tr><tr><td>hectares 2.471</td><td>=</td><td>acres</td></tr><tr><td>metres 3.281</td><td>=</td><td>feet</td></tr><tr><td>kilometres 0.621</td><td>=</td><td>miles (5,280 feet)</td></tr><tr><td>grams 0.032</td><td>=</td><td>ounces (troy)</td></tr><tr><td>tonnes (1000 Kilograms) 1.102</td><td>=</td><td>imperial tons (short) (2,000 lbs)</td></tr><tr><td>grams/tonne 0.029</td><td>=</td><td>ounces (troy)/ton</td></tr></table> <p>Currency conversion used herein are based on June 2, 2005, Bank of Canada noon spot rate Canadian dollars as follows: US\$1.00 = Cdn.\$1.2473.</p>	Metric Units	Multiplied by	Imperial Units	hectares 2.471	=	acres	metres 3.281	=	feet	kilometres 0.621	=	miles (5,280 feet)	grams 0.032	=	ounces (troy)	tonnes (1000 Kilograms) 1.102	=	imperial tons (short) (2,000 lbs)	grams/tonne 0.029	=	ounces (troy)/ton
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grams/tonne 0.029	=	ounces (troy)/ton																				
<b>Electrum</b>	A naturally occurring, deep-yellow to pale-yellow alloy of gold with silver.																					
<b>Epithermal</b>	Type of mineral deposit formed at low temperature, 50 - 200°C, usually within 1 km of the earth’s surface, often as structurally controlled veins.																					
<b>Felsic</b>	Field term used to describe a light coloured igneous rock, generally containing abundant feldspar and quartz.																					
<b>Gangue</b>	The valueless rock or mineral aggregates in an ore.																					
<b>Gossan</b>	A rust coloured iron oxide deposit found in the upper parts of veins or forming a cap overlying sulphide mineralization. Results from the oxidation and removal of sulphur and other metals.																					
<b>gpt (or g/t)</b>	Grams per tonne.																					

<b>Granodiorite</b>	A group of coarse-grained plutonic rocks intermediate in composition containing quartz, plagioclase, and potassium feldspar, with biotite and hornblende.
<b>Hydrothermal Alteration</b>	The chemical and mineralogical changes in rock brought about by the addition or removal of materials by hydrothermal fluids (for example, silicification).
<b>Igneous</b>	Meaning a rock or mineral that solidified from molten or partly molten material.
<b>Intrusive</b>	A rock formed by the process of emplacement of magma in pre-existing rock.
<b>Lillianite</b>	A steel-gray lead-bismuth-sulfide mineral.
<b>Lithology</b>	The description of rocks on the basis of such characteristics as color, mineralogic composition, and grain size.
<b>Magma</b>	Naturally occurring mobile rock material, generated within the earth and capable of intrusion and extrusion and from which igneous rocks are thought to have been derived through solidification and related processes.
<b>Marcasite</b>	White iron pyrite.
<b>Mesozoic</b>	The era of geological time ranging from 225 to 66 million years ago; includes the Triassic, Jurassic and Cretaceous periods.
<b>Metallogeny</b>	The genesis of mineral deposits, with emphasis on regional petrographic and tectonic features.
<b>Mineable Reserve</b>	That portion of a mineral deposit which can be economically mined after taking into consideration cut-off grades, pit or mine plan, metallurgy and mill design and numerous economic factors such as metal prices and capital and operating costs.
<b>Mineral Deposit</b>	A deposit of mineralization which may or may not be ore, the determination of which requires a comprehensive feasibility study. A mineral deposit usually has been intersected by sufficient closely spaced drill holes and or underground sampling to support sufficient tonnage and average grade of metal(s) to warrant further exploration and development work.
<b>Mineralized Material</b>	A mineralized body which has been delineated by appropriately spaced drilling and/or underground sampling to support an estimate of size by tonnage and average grade of metals. Such a deposit does not qualify as “ore” or a reserve, which would require a comprehensive feasibility evaluation based upon unit cost, grade, recoveries, and other factors relating to engineering, legal, financial and economic feasibility.
<b>Molybdenum</b>	A hard, silvery metal used in steel and nickel alloys.
<b>NASDAQ</b>	Means North American Securities Dealers Automated Quotation - a United States over-the-counter securities market.
<b>Naummanite</b>	An iron-black silver selenide mineral.
<b>Ore</b>	A mineral or aggregate of minerals more or less mixed with gangue which can be profitably mined given economic circumstances at the time. The Company does not hold any interest in properties where the mineralization has been determined to be ore.
<b>Ounce (or oz.)</b>	Meaning a troy ounce. There are 31.1034 grams to a troy ounce and there are 12 troy ounces to a troy pound, a common unit of measurement for precious metals.
<b>Oxide</b>	Mineral from which sulphur has been partially or completely removed by the action of surface water and oxygen.

<b>Paleozoic</b>	An era of geologic time, from the end of the Precambrian to the beginning of the Mesozoic, or from about 570 to about 225 million years ago.
<b>Paragenesis</b>	A characteristic association or occurrence of minerals or mineral assemblages in ore deposits, connoting contemporaneous formation.
<b>Pennsylvanian</b>	A period of the Paleozoic era, thought to have covered the span of time between 320 and 280 million years ago.
<b>Petrography</b>	The systematic description and classification of rocks using microscopic analysis.
<b>Porphyritic</b>	Pertaining to or resembling porphyry.
<b>Porphyry</b>	An igneous rock containing conspicuous crystals or phenocrysts in a fine-grained groundmass; type of mineral deposit in which ore minerals are widely disseminated, generally of low grade but large tonnage.
<b>Pseudomorph</b>	A mineral whose outward crystal form is that of another mineral species; it has developed by alteration, substitution, incrustation, or paramorphism.
<b>Pyrite</b>	A very common iron sulphide mineral often associated with gold and other economic mineral deposits.
<b>Pyroclastic</b>	Type of fragmental rock formed by volcanic explosion or aerial expulsion.
<b>Pyrrhotite</b>	An iron sulphide mineral, sometimes magnetic. Less widespread than pyrite, often associated with nickel and copper deposits.
<b>Quartzite</b>	A very hard but unmetamorphosed sandstone, consisting chiefly of quartz grains that have been so completely and solidly cemented with secondary silica that the rock breaks across or through the grains rather than around them.
<b>Rhyolite</b>	An extrusive igneous (volcanic) rock with phenocrysts of quartz and alkalic feldspar, commonly of porphyritic texture.
<b>Sedimentary</b>	Rock formed of sediment, as conglomerate, sandstone and shale, formed of fragments of other rock transported from their sources and deposited in water; rocks formed by precipitation from solution as rock salt or gypsum or non-organic secretions of organisms, e.g., most limestone.
<b>Selenide</b>	A mineral compound that is a combination of selenium with a more positive element or radical.
<b>Shoot</b>	An elongate pipelike, ribbonlike, or chimneylike mass of ore within a deposit, representing the more valuable part of the deposit.
<b>Siliceous</b>	Said of a rock containing abundant silica.
<b>Skarn</b>	A rock formed by contact metamorphism.
<b>Stock</b>	An igneous intrusion that is less than 40 square miles (100 square kilometres) in surface exposure.
<b>Strata</b>	A tabular or sheet-like body of sedimentary rock.
<b>Sulphide</b>	Group of minerals consisting of metals combined with sulphur; common metallic ores. (or "Sulfide")
<b>Tertiary</b>	The period of geological time extending from 66 to 2 million years ago, which includes

the Palaeogene and Neogene epochs.

**US (or United States)** Means the United States of America.

**Vein** A tabular or sheet-like mineral deposit with identifiable walls, often filling a fracture or fissure.

**Wallrock** The rock forming the walls of a vein or other mineral deposit.

## **B. Measurement**

Conversion of metric units into imperial equivalents is as follows:

<u>Metric Units</u>	<u>Multiply by</u>	<u>Imperial Units</u>
Hectares	2.471	= acres
Metres	3.281	= feet
Kilometres	0.621	= miles (5,280 feet)
Grams	0.032	= ounces (troy)
Tonnes	1.102	= tons (short) (2,000 lbs.)
Grams/tonne	0.029	= ounces (troy)/ton

### **The Getty Copper Project**

The Getty Copper Highland Valley Project consists of certain mineral interests in the following contiguous claim groups (collectively, the “Properties”) each located in the Highland Valley, a historic copper producing area of the Kamloops Mining Division in British Columbia (the “Highland Valley”). A 1.5% NRS royalty interest payable to Robak Industries Ltd. (owned by a related party see item 7)



Figure 1A GETTY COPPER INC. PROPERTY LOCATION MAP

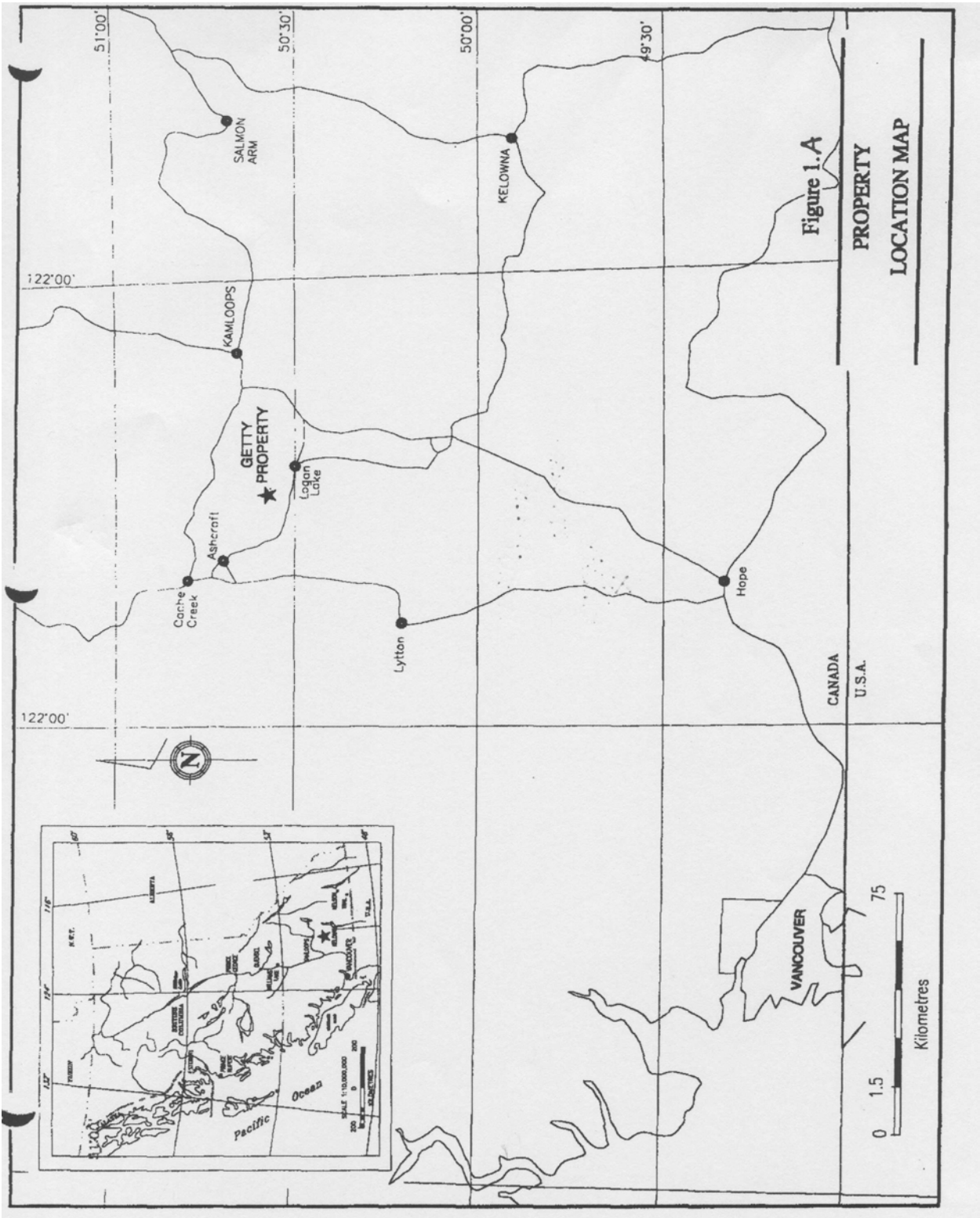
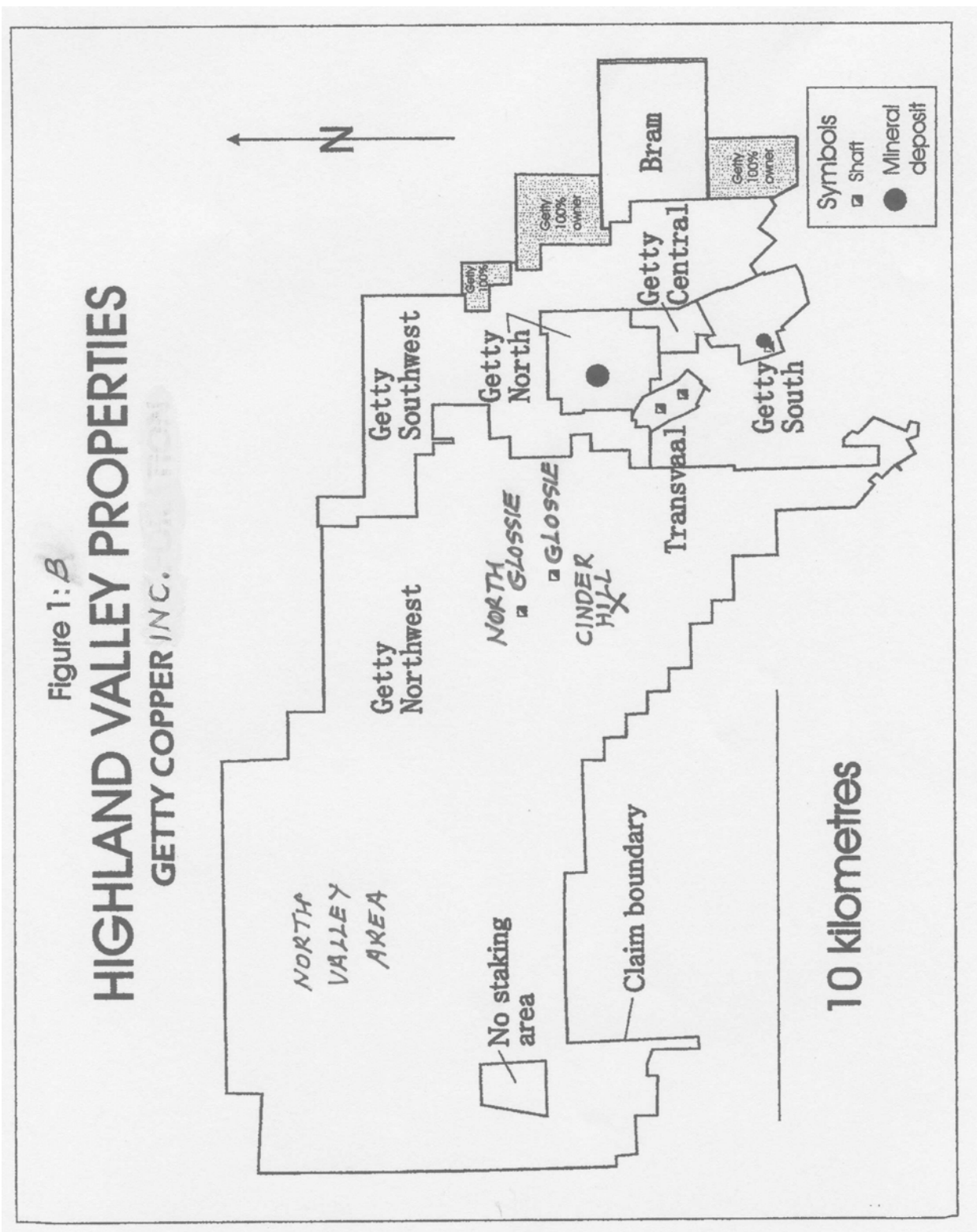


Figure 1B GETTY COPPER INC. HIGHLAND VALLEY PROPERTIES MAP



Property	Claims	Hectares	Percentage of Interest	
Getty North Property	26	1,600	100%	
Getty South Property	22	550	50%	
Getty Central Property	7	175	100%	
Getty Southwest Property	61	2,925	100%	
Getty Northwest Property	142	20,725	100%	
Bram Property	2	1,000	100%	

There are no existing mines on the Registrant's Properties, and the Registrant has no mineral producing properties at this time. All of the Registrant's properties are exploration projects, and there is no assurance that a commercially viable deposit exists in any such properties until further exploration work and a comprehensive evaluation based upon unit cost, grade, tonnage recoveries and other factors conclude economic feasibility.

The following disclosure regarding accessibility, climate, local resources, infrastructure and physiography, history, geological setting, sampling and security of samples is common to all of the Properties. Disclosure respecting exploration, drilling, mineral resource and exploration and development for each of the individual properties is included below.

#### **Accessibility, Climate, Local Resources, Infrastructure and Physiography**

The Properties are easily accessible by the Bose Lake road, which branches off 10 kilometres from the property from the paved Bethlehem Mine road. Forestry and drill roads provide access to the claims. Logan Lake, the closest support community, is about 15 kilometres east of the Getty Copper Highland Valley Project.

The nearest domestic airport is located in Kamloops about an hour drive from the south end of the Properties. The major city of Vancouver, B.C. situated approximately 330 kilometres to the southwest by the Coquihalla Highway, provides access to an international airport and seaport.

The Properties are located on and around Forge Mountain at an elevation between 1,450 to 1,900 metres. The topographic relief is moderate and the surface is covered by glacial deposits cut by recent stream channels. Small topographic highs are immediately underlain by glacial drift and Tertiary volcanic cover.

The climate is characteristic of the "dry belt" of the B.C. Interior Plateau and precipitation is about 23 cm. annually. The seasonal climate conditions are generally moderate. Severe weather conditions can occur for isolated periods in the winter, although the snowfall is usually moderate and the summer temperatures are cool to warm and mean temperatures are 14.1°C in July and -6.6°C in January, respectively. Mining activities are able to continue year round.

The Registrant believes that an established mining infrastructure and a skilled labour force are available in the Highland Valley area, as the region has a history of porphyry copper mining. The water supply in the region is limited; however, a previous operator in the Highland Valley area obtained a water supply for its mining operations from a subsurface basin. A 500 kva power line transverses the property and telephone service is available in Logan Lake and at nearby mines. The Registrant believes that all necessary mining infrastructure such as water, power and access will be available at the anticipated future mine sites.

The town of Logan Lake is the nearest municipality to the Properties and is the current location of the Registrant's site office. Logan Lake has a population of approximately 2,300. It is linked to Vancouver, 330 kilometres to the southwest, via the Coquihalla Highway.

#### **History**

The history of the Highland Valley copper district dates back to approximately 1896, when it was explored by prospecting, panning, trenching and drifting near high grade copper occurrences.

The following table is a breakdown of the Registrant's deferred exploration and development costs on the Getty Copper Project to the dates indicated:

Activity	December 31,			
	2005	2004	2003	2002
Drilling	\$ 4,715,326	\$ 4,594,299	\$ 4,207,932	\$ 4,207,932
Environmental	254,456	254,454	254,454	254,454
Feasibility Study	166,709	166,709	166,709	129,886
Geoscience	2,963,117	2,766,245	2,426,207	2,420,131
Metallurgy	694,189	317,610	228,085	228,085
Assay	623,775	540,235	475,832	473,396
Other Costs	1,925,040	1,855,254	1,755,624	1,705,804
<b>Provision for impairment</b>	(9,514,843)	(\$9,514,843)	(\$9,514,843)	(\$ 9,419,688)
<b>Totals</b>	<b>\$1,827,769</b>	<b>\$ 979,963</b>	<b>\$ NIL</b>	<b>\$ NIL</b>

### Geological Setting

The Getty Highland Valley Project mineral tenure is comprised of 210 square kms of contiguous mineral claims located in the Highland Valley, British Columbia's premier copper producing area, approximately 200 km northeast of Vancouver (Figure 1). The local area contains excellent transportation and power infrastructure, a large pool of experienced mining and support personnel and a mining based economy.

The Registrant's mineral tenure contains favourable Guichon Creek Batholith geology and adjoins to the south the large Cu-Mo mining and milling operations of the Highland Valley Copper Partnership (HVC) owned by Teck Cominco (97.5%) and Highmont Mining (2.5%).

The Registrant's claims span the entire width of favourable Guichon Creek Batholith geology immediately to the north of HVC's holdings. The Registrant's most advanced projects, the Getty North deposit, the Getty South deposit are located in the eastern part of the property in the same geological and structural setting as the Bethlehem deposits located five to eight km to the south. The large Glossie zone and North Valley zone induced polarization anomalies discovered in the central and western portions of the property are in a different geological setting.

### Sampling and Analysis

Drill core is mechanically split; one half of which is submitted for preparation and analysis. The other half is catalogued and stored on the site.

All Assays and analyses are performed by Eco-Tech Laboratories in Kamloops, British Columbia where they store the samples they test for future reference.

### Security of Samples

Drill core samples are stored in the Registrant office-warehouse in a locked and alarmed warehouse.

### Exploration

During 2004, Highland Valley Copper completed \$2.3 million dollars on line cutting, induced polarization surveys and diamond drilling. The areas explored were the Transvaal, Glossie and Getty northwest targets. Only intrusive rocks and structures surrounding the Transvaal Occurrence returned significant copper mineralization and accompanying alteration. Here sub economic copper mineralization within hydrobrecciated Guichon and Bethlehem intrusive were encountered. The Cinder hill area contains a large tertiary volcanic center and is deeply overburdened covered. The Glossie Copper Occurrence was not tested during this program. Only weakly anomalous copper and zinc mineralization encountered within silicified and metasomatized Nicola volcanics overlying weakly altered intrusives in the north Valley IP anomaly were encountered. However the drilling here

was very wide spaced and the Registrant will carefully review this work in relation to earlier exploration results to determine if additional untested targets exist in this area. The iron sulphide mineralized tertiary volcanics were intersected but returned only very weakly anomalous copper.

### ***Planned exploration for 2006***

An exploration program is planned, on the Getty properties. These programs will be conducted under the British Columbia "Best Practices Exploration Guidelines" under the direction of a suitable qualified Professional Geoscientist or Engineer registered with Association of Professional Engineers and Geoscientists of British Columbia. The details of this program are still subject to board approval and financing.

Dependant upon the results of the metallurgy testing and pilot plant testing of the Innovat continuous vat leaching system being carried out at SGS Lakefield, the Registrant may commission a preliminary feasibility study to investigate the viability of proceeding to the production phase.

### **(a) Getty North Property**

#### ***Exploration***

Prior to the acquisition of the Getty North Property by the Registrant from Robak and Masco, Robak held the Getty North Property for approximately two decades. During that period, in excess of \$350,000 was spent on exploration work on the property consisting of silt and soil sampling, trenching and bulk sampling. Since the date of the Registrant's acquisition of the Getty North Property to December 31, 2005, the Registrant has completed \$8,259,549 of exploration work on the property, consisting of aerial photographic surveys and base map production, diamond drilling, geological mapping, assaying, induced polarization and magnetics geophysical surveys, soil geochemical surveys, metallurgical testing, and resource calculations.

The following table is a brief summary of documented drilling:

**Getty North  
Summary of Drilling**

Period	Company	Type	Holes	Metres
1956-1957	Northlodge Copper Beaverlodge Diamond Uranium- Farwest Tungsten Group	Diamond	27	2,995
1957-1959	Kennecott Copper	Diamond	2	345
1964-1965	North Pacific Mines	Diamond	8	2,349
		Percussion	17	806
1965-1966	Canex Aerial Exploration (Now known as Placer-Dome)	Diamond	16	2,015
1967	Isaac Schulman Syndicate	Diamond	4	846
1968-1969	Noranda Exploration	Diamond	7	957
1970	North Pacific Mines	Percussion	25	1,149
1971-1972	Getty Mining Pacific	Percussion	16	1,765
		Diamond	3	635
1972-1973	Quintana Minerals	Percussion	16	2,004
1993	Getty Copper Corp.	Diamond	5	557.9
1995	Getty Copper Corp.	Diamond	33	7,652.6

Period	Company	Type	Holes	Metres
1996	Getty Copper Corp.	Diamond	41	10,691.5
1997	Getty Copper Corp.	Diamond	64	17,444.5
2004	Getty Copper Inc.	Diamond	16	4,711.6

Also in 2004, the Registrant completed \$979,963 of exploration in the Getty North area. A 980 metric tonne bulk sample of oxidized material was removed from the Getty North deposit and deposited near the Getty South deposit. A 10 hole diamond drill program tested areas southeast of the Getty North deposit with only locally anomalous copper results being obtained. A combined line cutting, induced polarization, multielement geochemical soil and drilling program was carried out on the Getty North Extension target immediately northeast of the Getty North deposit. The surveys produced weak copper, lead, gold, and molybdenum anomalies and weak to moderate IP anomalies that when drilled returned locally weakly anomalous copper in altered and sheared intrusive rocks.

In 1997, the Registrant undertook a \$3 million program of drilling and sampling on the Getty North Property. As of December 31, 1997, the Registrant had completed 64 diamond drill holes totaling 17,444.5 metres (57,235.4 ft). These holes were systematically drilled on sections 30 metres apart to provide the density of data points required for an independent mineral deposit update. The Registrant has not defined or delineated any proven or probable reserves on the Getty North Property

Mr. A. Frye of KHA Resource Modelling Inc. independently performed a mineral deposit estimation using computerized 3D geological and block deposit models. The resource estimates generated from this block model are detailed in the following section on Mineralization. These 1997 calculations were made prior to implementation of National Instrument 43-101. They are historical estimates only and should not be relied upon, however they were made by experienced professionals using standard methods appropriate for the time.

In December 1997, the Registrant retained Bateman Engineering Inc. of Denver, Colorado ("Bateman") to perform a pre-feasibility study for the oxidized part of the Getty North Deposit and the proposed Getty North Copper Plant. Bateman, in May 1998, using the portions of the KHA database outlined an approximately 8.56 million tonne potentially economic surface exposed and near surface open pit mineralized body comprising 7.2 million tonnes rock grading 0.47% oxide copper and 1.36 million tonnes grading 0.50% of sulphide copper, at a strip ratio of 0.8 to 1 with a potential mine life of 7 years. These estimates are historical only and should not be relied upon as they do not meet current provisions of the Canadian Institute of Mining as referenced in Canadian Securities Administrators National Instrument 43-101. Bateman recommended that the Registrant conduct a full feasibility for the Getty North Oxide Deposit. Bateman also recommended that the Registrant conduct (prior to or during the full feasibility study) further leach and assay comparison tests that might increase the mineable mineral deposit estimates.

Mineral speciation studies and petrographic studies were carried out in 2001 by G& T Metallurgical Services Ltd. and R.C. Wells, P. Geo on five samples from the oxidized part of the Getty North Deposit. The principal objective of this work was to identify and quantify the various copper and gangue minerals present in the samples as part of the on-going metallurgical leach tests of the oxide deposit. These studies indicated that secondary (oxide) copper minerals account for the bulk of the copper present in the samples and that calcite contents are generally trace up to a maximum of 1% in one sample.

The Registrant, also commissioned an Interim Scoping Study by Innovat Limited under the supervision of D.A. Mackie, P. Eng to investigate alternatives to the proposed Heap Leach SX/EW Cathode Copper plant suggested by Bateman Engineering Inc., for the Getty North Oxide Deposit in their Feasibility Outlook report of 1998. The scoping study examined Continuous Vat Leach as an alternative to the SX/EW Heap Leach process and the production of Copper Sulphate Crystals and two different variations of Copper Powder Production Plants, in addition to Cathode Copper. Based on this preliminary study and cursory market information the production of Copper Powder appears to generate the best economics.

The Registrant concluded a program of hydrological baseline studies and data collection in the area of the proposed Getty North Oxide Mine and Processing Plant that had been carried out on a continuing basis since 1998 by M. Miles and Associates Ltd.

The Registrant commissioned W.J. McMillan, Ph.D., P.Eng. to complete a Canadian Securities Administrators National Instrument 43-101 compliant Report which was completed February 27, 2003 on the Getty Copper Property. He reviewed all pertinent documentation and described his observations where applicable and appropriate on all portions of the property including the Getty North and other deposits, including earlier resource calculations and economic evaluations completed by independent qualified professional engineers. Although accepted by the TSX Venture Exchange as a NI 43-101 compliant technical report, the BC Securities Commission has advised the Registrant that it does not consider the McMillan Report as NI 43-101 compliant. The Registrant is in the process of having the McMillan Report brought into compliance as a result of the Commission's noted deficiencies.

### ***Mineralization***

The Getty North deposit is situated in the north central portion of the Guichon Batholith, an area the Registrant believes has a favourable structural trend of copper deposits. The Registrant believes the deposit is predominantly hosted by quartz diorite of the Guichon variety cut by dykes and breccia zones. Sericite, chlorite and carbonate associated with copper mineralization overprint the protolith mineral assemblage.

Cross sections 30 meters apart based on extensive drilling (132 holes [1993 to 1997] used in the resource calculation, and over 200 holes used in geological interpretation) show that the mineralization occurs in a shape similar to an inverted "horseshoe" containing a central zone of lower grade mineralization. The Getty North deposit displays continuity in a north northwest direction for a distance of at least 300 metres, ranging from 50 to over 150 meters wide in an east northeast-west southwest direction. Intrusive contacts and faulting, as seen in drill core, both control and displace mineralization, and dip steeply to the southwest.

In the central and north portions of the deposit a well-developed zone of oxidation occurs to a depth of more than 100 metres. In this area, oxidation of the primary sulphides is generally complete. Copper mineralization in the oxidized zone consists of chrysocolla, malachite, azurite, cuprite, copper manganese oxides, native copper and chalcocite. Primary sulphides generally occur below the oxidized zone and consist of, in order of abundance, pyrite, chalcopyrite, bornite, chalcocite and molybdenite.

Approximately 15% of the Getty North deposit is covered by unmineralized tertiary volcanic rock, varying in thickness from 2 metres to 70 metres.

### ***Reserves***

There are no resources described as "mineral reserves" on the Getty North Deposit.

### ***Non-Reserves (Resources)***

The following "drill-indicated" and "drill-inferred" "mineral resource" for the Getty North Deposit was calculated by KHA Resource Modelling Inc. on December 17, 1997, and approved as valid by Bateman Engineering Inc. of Arizona (1998) and Innovat Ltd. (2001) of Ontario for their pre feasibility reports to the company. The KHA calculations are based on a computer generated block model without any allowance for pit design or mining dilution. The Registrant believes the deposit remains open to expansion at depth and possibly to the east where a large favourable anomaly has been identified and requires drill testing. These historical estimates should not be relied upon since these following resource calculations were made prior to the implementation of the Canadian National Instrument 43-101 requirements and guidelines. These resource calculations were made by credible and experienced independent consultants following standard practices of the time.

**Note 1 Cautionary Note to U.S. Investors concerning estimates of Indicated Resources** This section uses the terms "Indicated Resources", we advise U.S. investors that while this term is recognized and required by Canadian Regulations, the U.S. Securities and Exchange Commission does not. **U.S Investors are cautioned not to assume that any part or all of mineral deposits in this category will ever be converted into reserves.**

**Getty North Deposit – Indicated Resource**

		<b>Total Resource (Millions of tonnes)</b>	<b>Grade (% Cu)</b>
Oxide Zone	0.2% copper cutoff	6.27	0.53
Sulphide Zone	0.2% copper cutoff	25.6 5	0.41

Mineralized material or deposit is a mineralized body which has been delineated by appropriate drilling and/or underground sampling to support a sufficient tonnage of average grade of metals. Such deposits do not qualify as a reserve until a comprehensive evaluation, based upon unit cost, grade, tonnage recoveries and other factors, concludes economic feasibility.

**Note 2 Cautionary Note to U.S. Investors concerning estimates of Inferred Resources.** This Section uses the terms “Inferred Resources”, we advise U.S. Investors that while this term is recognized in Canada and required by Canadian Regulations, the U.S. Securities and Exchange Commission does not recognize it. “Inferred Resources” have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or pre-feasibility studies. **U.S. investors are cautioned not to assume that part or all of an Inferred Resource exists, or is economically or legally mineable.**

**Getty North Deposit – Inferred Resources**

		<b>Total Resource (Millions of tonnes)</b>	<b>Grade (% Cu)</b>
Oxide Zone	0.2% copper cutoff	4.29	0.514
Sulphide Zone	0.2% copper cutoff	7.82	0.332

The 0.2% copper cutoff is considered a realistic figure for the Highland Valley area of British Columbia where power and water costs are lower, and mechanical efficiencies are higher than global averages for mines of similar size, grade, copper speciation and economic situation. Bateman Engineering Inc. of Arizona, in 1998 was commissioned to complete a “Feasibility Outlook” report on the Getty north deposit. Bateman calculated (for the oxide resource only), using a 1 to 1 waste to ore open pit stripping ratio, copper price of \$US 0.85, copper recovery of 75%, and a combined mining, processing and administration cost of \$4.02 per tonne of ore processed an “incremental cutoff” of 0.18% copper. The Registrants’ estimate of the three year average price of copper is at least \$US 1.50 per pound (\$US 2.64 per kilogram), considerably higher than the figure used in Batemans’ economic evaluation.

## **2005 Exploration Expenditures**

In 2005, the Registrant completed \$749,562 of exploration and metallurgy in the Getty North area. A 980 metric tonne bulk sample of oxidized material was removed from the Getty North deposit and deposited near the Getty South deposit. A 10-hole diamond drill program initiated in 2004, tested areas southeast of the Getty North deposit with only locally anomalous copper results being obtained. A combined line cutting, induced polarization, multielement geochemical soil and drilling program was carried out on the Getty North Extension target immediately northeast of the Getty North deposit. The surveys produced weak copper, lead, gold, and molybdenum anomalies and weak to moderate IP anomalies that when drilled returned locally weakly anomalous copper in altered and sheared intrusive rocks.



The Registrant, in 2005, embarked on a metallurgy test program of its copper sulphide and copper oxide samples at SGS Lakefield Research Limited in Lakefield, Ontario. The test program determined the leach parameters and optimum chemistry for leaching copper from Getty's resource samples which have been forwarded to Lakefield. Additionally the Registrant has contracted with Innovat Limited of Ontario to test the viability of using Innovat's proprietary continuous vat leaching system to extract copper from the samples provided to Lakefield. It is estimated that the cost of these two programs will total approximately \$700,000.

#### **(b) Getty South Property**

The Getty South Property is in the early exploration stage and there is insufficient data to establish whether proven or probable reserves exist on the property. An extensive program of closely spaced definition drilling is required to test the property to the drill indicated level of confidence before a meaningful mineral resource estimate can be performed.

No operational mines exist on the Getty South Property, and any existing historical workings have been sealed as required under British Columbia law.

#### ***Exploration History***

The property was acquired by Trojan Exploration Limited in 1955 and was explored by Trojan Consolidated Mines Limited by surface and underground methods. Recovery of copper values by diamond drilling at that time was poor. Approximately one million dollars was spent on exploration during the period 1955 to 1973. The following work was performed by previous operators before the Registrant acquired the property: Surface diamond drilling - 15,556 metres; Underground diamond drilling - 1,158 metres; Percussion drilling - 319 metres; Underground drifting - 1,719 metres; Two compartment shaft - 49.1 metres; and Surface trenching - 396 metres.

The Getty South Property is in the early stages of exploration, and based on the exploration to-date, the Registrant has not defined or delineated any proven or indicated reserves on the Getty South Property. In 1992, an independent consultant performed a mineral deposit estimate based on physical work completed on the Getty South Property prior to the Registrant's acquisition of the property. In 1996, the Registrant undertook a thirteen diamond drill-hole program aggregating 3236 meters of drilling that provided assay results that were lower than anticipated, and the Registrant has determined that the drilling completed to date is not reliable for determining grade.

There is no assurance that a commercially viable ore deposit (if any) exists on the Getty South Property until further exploration work and a comprehensive evaluation based upon unit cost, grade, tonnage recoveries and other factors conclude economic feasibility.

As part of a systematic assessment of the grade and extent of near-surface oxide/sulphide-copper mineralization at the Getty South deposit, a program of surface trenching consisting of 13 trenches totaling approximately 1,572 metres in aggregate length was completed as of December 31, 1997. The assay results to-date indicate that significant concentrations of copper, mostly as leachable, oxide copper, occur over an area measuring approximately 240 metres by 40 metres. Additionally, significant results were obtained approximately 200 metres to the south.

The Registrant has completed initial exploration work of its own on the Getty South Property, including aerial photographic surveys and base map production, drilling, trenching, assaying, geophysical, geochemical and geological work, at a cost of \$893,389 to December 31, 2005.

#### ***Mineralization***

The Getty South deposit is hosted within a breccia zone measuring approximately 600 metres from north to south, and 250 metres in width, which intrudes Guichon variety quartz diorite of the Guichon Creek Batholith. This breccia body is one of several which occur within a well-defined northerly trending structural zone of faulting and minor intrusions (dykes) that extends for 9 kilometres from the JA deposit through the Bethlehem orebodies and on through to the Getty North deposit. The breccia body consists of fragments of quartz diorite and dacite porphyry set in a matrix of finely broken and crushed rock and secondary minerals such as quartz and tourmaline. Mineralization in the form of specular hematite, chalcopyrite and secondary copper minerals, such as malachite, azurite, chrysocolla, cuprite and native copper occurs mostly between rock fragments and along structurally controlled veinlets and crush zones.

## ***Drilling***

The Getty South deposit has been less thoroughly drill tested than the Getty North deposit, but has been explored by one underground level comprising a 45 metre shaft, approximately 1,775 metres of drifting and crosscutting and approximately 1,477 metres of underground diamond and percussion drilling. Although 15,550 metres of surface drilling were completed by previous operators, it is reportedly of poor quality and thus is not a reliable base for calculating the copper mineral resource. During 1996, the Registrant completed an initial 13 hole reconnaissance large diameter diamond drilling program totaling 3,236.2 metres that returned copper results lower than anticipated. Previous engineering reports concluded that diamond drilling results based on poor recovery have proven unreliable when compared with underground development sampling, and that diamond and percussion drilling results to date do not match the overall grades returned from the currently interpreted areas of mineralization from the underground muck and bulk samples. Closely spaced large diameter diamond or reverse-circulation (RC) drilling has been recommended as a better method to determine the grade of near surface mineralization in the breccia deposit. Reopening the underground workings are being considered.

## ***Underground development***

The Getty South has been developed by a 45 meter (150 foot) vertical shaft and over 1500 meters of horizontal development and at least one raise. Development took place in at least four campaigns from 1957 to 1974. Development took place primarily to test the highest grade known mineralized zones. A resource estimate is being completed based primarily on the muck and bulk sample grades with additional data from mineralized and geological information derived from the drilling and 1997 trenching results.

## ***Planned Exploration for 2006.***

A Budget of \$250,000 has been proposed to complete the surveying program on the 1997 trenching.

### **(c) Getty Central Property**

The Registrant has completed initial exploration work of its own on the Getty Central, including aerial photographic surveys and base map production, geochemical soil sampling, prospecting, geophysical surveys and geological work, at costs to December 31, 2005 of \$56,789 for the Getty Central Property.

## ***Exploration***

The Getty Central Property is in the early exploration stage, and there is insufficient data to establish whether proven or probable reserves exist on the property. There are no existing mines on the property. No exploration expenditures are planned in 2006

### **d) Getty Southwest Property**

## ***Exploration***

The Registrant has completed initial exploration work of its own on the Southwest Property including aerial photographic surveys and base map production, geochemical soil sampling, prospecting, geophysical surveys and geological work, at costs to December 31, 2005 of \$387,882.

The Getty Southwest Property is in the early exploration stage, and there is insufficient data to establish whether proven or probable reserves exist on the property. There are no existing mines on the property. No exploration expenditures are planned in 2006

## ***Drilling***

In 2004, HVC completed 6 diamond drill holes following up geological and IP targets. No potentially economic mineralization was encountered. Part of a large post mineral Eocene volcanic center was defined.

### **(e) Getty Northwest Property**

The Getty Northwest Property is comprised of 142 mineral claims acquired by the Registrant by staking. These claims are subject to a 1.5% net smelter return royalty reserved in favour of Robak.

The Getty Northwest Property is in the early exploration stage, and there is insufficient data to establish whether proven or probable reserves exist on the property. There are no existing mines on the property. The Registrant has not planned any exploration on the property for 2005, and any plans to develop a new mine on the property would be based on a full-scale feasibility study, if any, to determine the commercial feasibility of a mining operation on the property.

#### ***Exploration History***

The Registrant has completed initial exploration work of its own on the Getty Northwest Property, including aerial photographic surveys and base map production, drilling, geochemical soil sampling, prospecting, geophysical surveys and geological mapping, at a cost to December 31, 2005 of \$1,745,004. HVC in 2004 completed a large line cutting and IP program over the area.

#### ***Drilling***

During 1996, one exploratory diamond drill hole 254.4 metres (834 ft) was drilled, but no significant results were obtained. In 2004, HVC completed eight diamond drill holes following up the IP program. Only locally weakly anomalous copper and zinc results were obtained usually in hornfelsed volcanic rocks overlying the intrusive rocks. HVC also completed one drill hole 500 meters east of the Glossie mineral occurrence in which a thick sequence of Eocene volcanics was intersected. Pyritized sections returned only very weakly anomalous gold.

There is no assurance that a commercially viable ore deposit exists on the Getty Northwest Property until further exploration work and a comprehensive evaluation based upon unit cost, grade, recoveries and other factors conclude economic feasibility.

#### ***Planned Exploration for 2006***

No exploration expenditures are planned in 2006

### **ITEM 5 Operating and financial review and prospects**

#### **Critical Accounting Policies**

Under Canadian generally accepted accounting principles, corporate/administrative expenses are written off yearly and exploration and property acquisition expenses deferred (or capitalized). Such acquisition and exploration costs are written off where the Registrant seeks to abandon a property due to exploration program results which appear to warrant abandonment or when it appears the deferred costs may not be recoverable. Acquisition costs and exploration expenditures are financed through a combination of cash and common share issuances.

#### **Overview**

The Registrant is currently an expenditure-based organization whose business strategy is to acquire, explore and conduct detailed engineering and economic analysis of mineral deposits which have large tonnage and multi-year operation potential. None of the Registrant's currently held or to be acquired mineral deposits currently hosts a mineral resource that can be said to be economic at current metals prices.

The Registrant's financial statements are prepared on the basis that it will continue as a going concern. Given that the Registrant has no source of significant revenue this assumption is always subject to the further assumption that there will continue to be investment interest in funding large tonnage metal deposits which are not known to be economic in the current environment. The Registrant can give no assurance that it will continue to be able to raise sufficient funds and should it be unable to continue to do so, may be unable to realize on the carrying value of its resource project and the net realizable value could be materially less than the Registrant's liabilities with a potential for total loss to the Registrant shareholders.

The Registrant does not believe that it is significantly impacted by the effects of inflation and the Canadian dollar has fluctuated in a relatively narrow band to the United States dollar (US\$1.00: Cdn\$1.15 to \$1.27) during these three years. The Registrant has not been significantly affected by government economic, fiscal, monetary or political policies and the outlook for the Registrant's assets primarily relate to the outlook for gold and copper. For information relating to the historical prices for copper and gold, see "Trend Information" below.

#### **Operating Results – Fiscal 2005 Compared with Fiscal 2004**

At December 31, 2005, the registrant had working capital deficit of \$320,311 compared to working capital of \$952,672 at December 31, 2004. The decrease of \$1,272,983 in working capital can be attributed directly to expenditures paid during the year. The Registrant has no source of income other than interest earned on funds held in term deposits and rent received for a portion of the Logan Lake office. Current liabilities at December 31, 2005 decreased to \$536,885 from \$615,360 at December 31, 2004. At December 31, 2004 the current payables included more invoices for drilling and other exploration expenditures than at December 31, 2005.

Net deferred exploration expenditures incurred during the year ended December 31, 2005, \$847,805, compared to \$979,963 spent during the year ended December 31, 2004.

During the year ended December 31, 2005 the Registrant began leasing a photo-copier with fax and scan features and disposed of its old photo-copier to the leasing company for \$500. The old copier was more than ten years old and would no longer be covered under any maintenance agreement.

Shareholder equity decrease to \$3,257,546 during the year ended December 31, 2005, from \$3,691,727 December 31, 2004, due to expenditures and the Registrant has no source of income other than interest earned on funds held in term deposits and rent received from a portion of the Logan Lake office.

The Registrant earned \$10,528 in interest income for the year ending December 31, 2005 compared to \$28,144 at December 31, 2004.

During the year ended December 31, 2005 the Registrant earned \$748 rental income for a portion of office space located in Logan Lake, British Columbia, compared to \$2,243 during the previous year ending December 31, 2004. The tenants were only in the building for a portion of the year ending December 31, 2005.

#### **Operating Results – Fiscal 2004 Compared with Fiscal 2003**

At December 31, 2004, the Registrant had working capital of \$952,672 compared to working capital deficit approximately \$1,569,880 at December 31, 2003. The decrease of \$617,208 in working capital can be attributed directly to expenditures paid during the year. The Registrant has no source of income other than interest earned on funds held in a term deposit and rent received for a portion of the Logan Lake office. Current liabilities at December 31, 2004 increased to \$615,360 from \$526,029 at December 31, 2003, the increase is largely due to accruing an interest and penalty of \$179,763 for non-expenditures of flow through funds, and \$101,000 accrued for legal expenses to Blakes Cassels, a law firm engaged to review the Registrant's December 2002 property purchase agreement. The Registrant has instructed the law firm of Stikeman, Elliott to tax the Blake's Cassels account and to further review the appropriateness of Blake's actions.

Net deferred exploration expenditures incurred during the year ended December 31, 2004 \$979,963 compared to \$94,955 spent during the year ended December 31, 2003.

During the year ended December 31, 2004 the Registrant sold a 1992 Ford truck for \$1000 and purchased a computer for \$1,005. Compared to \$1,900 at December 31, 2003 for a scanner and cabinets.

Shareholder equity increased to \$3,691,727 during the year ended December 31, 2004 from \$3,339,902 December 31, 2003 due to a private placement and the exercising of warrants.

The Registrant earned \$28,144 in interest income for the year ending December 31, 2004 compared to \$1,080 at December 31, 2003.

During the year ended December 31, 2004 the Registrant earned \$2,243 rental income for a portion of office space located in Logan Lake, British Columbia, which is the same as the previous year ending December 31, 2003.

## **Liquidity and Capital Resources**

On January 18, 2006, the registrant completed a private placement of 5,000,000 units. Each unit consisted of one share valued at \$0.10 and one-half share purchase warrant certificates, exercisable for one year at a price of \$0.125 in the first six months and \$0.15 in the second six months. All securities issued pursuant to this private placement are subject to a four-month hold period until May 16, 2006.

On May 12, 2005, the Registrant completed a private placement of 1,335,000 units. Each unit consisted of 1 share valued at \$0.15 and a full warrant to purchase a further share of common stock for a period of 2 years at a price of \$0.20 in the first year and \$0.25 in the second year. All securities issued pursuant to this private placement were subject to a four-month hold period until August 12, 2005.

### ***Possible Unavailability of Additional Financing.***

The Registrant is currently pursuing financing opportunities to meet its administration costs. If the Registrant is unable to raise additional capital it will need to curtail its operations and the Registrant may be materially adversely affected.

### ***Overview***

Historically the Registrant's sole source of funding was the sale of equity securities for cash primarily through private placements to sophisticated investors and institutions.. The Registrant has no assurance of continued access to significant equity funding.

### **Fiscal 2005 Compared with Fiscal 2004**

As at March 31, 2006, the Registrant's cash and short term investments was \$287,185.

The Registrant's cash and short-term investments at December 31, 2005 were \$156,074 compared to \$1,529,032 at December 31, 2004. The decrease is due to exploration spending during the year and administrative and legal expenses, (see item 8, Legal Proceedings). Aside from cash and short-term investments, the Registrant has no material unused sources of liquidity.

### ***Financial Instruments***

The Registrant financed its activities from 1985 through 2005 primarily through the issuance of equity shares through private and public distributions. Certain of these financings were structured as "flow through" to provide a Canadian income tax incentive to make the securities more attractive. The *Income Tax Act* (Canada) provides certain incentives to encourage exploration on Canadian resource properties including the deductibility of a defined class of "Canadian Exploration Expenses" and "Canadian Development Expenses" which provide deductible pools of resource expenditures deductible against other sources of income. The Registrant keeps its financial instruments denominated in Canadian dollars and does not engage in any hedging operations with respect to currency or in-situ minerals. Funds which are currently excess to the Registrant's needs are invested in government of Canada or like debt obligations and other short term near cash investments pending the need for the funds.

The Registrant does not have any material commitments for capital expenditures and accordingly can remain relatively flexible in gearing its activities to the availability of funds. As of the fiscal 2005 year end, the Registrant estimates that the cost of maintaining its corporate administrative activities at approximately \$50,000 per month. Accordingly, the Registrant's management estimate that a minimum of \$1,200,000 will be needed to maintain its corporate status and assets over the ensuing two-year period and the Registrant has current working capital deficit at March 31, 2006 of \$85,252 which is not adequate to ensure continued viability over this period of time.

### **Research Expenditures**

The Registrant is a resource expenditure based corporation and accordingly does not have a program of intellectual property development or patenting or licensing issues.

## **Trend Information**

In 2006 the Registrant's planned exploration program and increased legal expenses will deplete funds generated from the January 2006 private placement. Increased legal expenses will result in higher general and administrative expenses during 2006 and will increase the loss to be reported for that fiscal period.

As a mineral exploration company, the Registrant's activities are somewhat cyclical as metals prices have traditionally been cyclical in nature. The basic trend through the last several years for metal prices was negative, however, the recent gold price trend has been more positive. Copper is a commodity metal used extensively in the housing and automotive industries and accordingly, demand for copper varies directly with general economic conditions. Although the Registrant's management is not in a position to forecast economic trends, it is aware that as of May 2006 widely read business periodicals continue to predict a variety of economic conditions which indicate that a recovery in the price of copper or gold will in all likelihood be tied to the economy.

The price of copper has significantly improved since 2004 as a result of increasing consumption and decreasing stocks. Recent widely read business journals predict that metal prices in 2006 should continue at current levels due to simple supply and demand dynamics.

### **ITEM 5.E – OFF-BALANCE SHEET ARRANGEMENTS.**

Not Applicable

### **ITEM 5.F – TABULAR DISCLOSURE OF CONTRACTUAL OBLIGATIONS.**

The Registrant is committed to make monthly payments of \$18,000 to related parties for management fees, rent and legal fees.

	Total	less than a year	1-3 years
Rent	\$ 6,000	—	\$ 6,000
Management Fees	\$30,000	—	\$30,000
Legal Fees	\$135,000	\$ 135,000	Nil

## ITEM 6 DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

### A. Directors and Senior Management

Name, Position and Place of Residence	Period a Director of the Issuer	Shares Beneficially Owned or Controlled <sup>(1)</sup>
John B. Lepinski Managing Director Coquitlam, British Columbia	June 30, 1992 to date	10,919,196 Shares 1,575,000 Warrants
Donald R. Willoughby FCA Chief Financial Officer, Director Vancouver, British Columbia	June 30, 1992 to date	270,000 Shares
Jean-Jacques Treyvaud President, Director Beloeil, Quebec	September 18, 1997 to date	50,000 Shares 30,000 warrants
John M. Parks, LLB, B.Comm General Counsel, Corp. Secretary, Director North Vancouver, British Columbia	November 26, 2004 to date	425,000 Shares 200,000 warrants
Charles Mitchell, LLB Director Edmonton, Alberta	November 30, 2004 to date	NIL
Edward Leung, CGA Director Vancouver, British Columbia	January 26, 2005 to date	NIL
David A. Shaw PhD Director Vancouver, British Columbia	May 6, 2005	NIL

#### Notes:

(1) The information as to shares beneficially owned or controlled is furnished by the respective directors.

All directors have a term of office expiring at the next annual general meeting of the Registrant. All officers have a term of office lasting until their removal or replacement by the Board of Directors.

#### Principal Occupation of Current Management of Getty

**JOHN B. LEPINSKI** – Managing Director. John B. Lepinski is owner manager of a liquor distribution business and has thirty years experience in mining related enterprises. He is also a shareholder, director and officer of several private companies and has served as a director of other public companies during the past twenty years. Mr. Lepinski has stepped aside as CEO in an effort to resolve certain matters in connection with the November 8, 2002 agreement whereby Getty purchased the Getty South claims.

**DONALD R. WILLOUGHBY** – Chief Financial Officer and Director. Mr. Willoughby is a Fellow Chartered Accountant, managing partner of a regional British Columbia Accounting firm. He is also a shareholder, director and officer of several private companies and has served as a director of other public companies during the past fourteen years.

**JEAN-JACQUES TREYVAUD** – Director. Mr. Treyvaud is a business consultant. He holds a doctorate in economics and many years experience in the banking field.

**JOHN M PARKS** – General Counsel, Corporate Secretary, and Director. Mr. Parks is a business lawyer and has served as a director and officer of other public companies during the past twenty five years.

## B. Compensation

During the Registrant's financial year ended December 31, 2005 the aggregate remuneration paid or payable to the Registrant's directors and senior officers or companies or professional firms with which the directors or officers are associated, for rent, accounting, legal services, interest and geological consulting fees by a director was \$198,241.

Mr. J J Treyvaud, President of the Registrant, and Mr. Donald R. Willoughby, Chief Financial Officer and a director of the Registrant, are each a "Named Executive Officer" of the Registrant for the purposes of the following disclosure.

The compensation paid any Named Executive Officers during the Registrant's three most recently completed financial years is as set out below:

Name and Principal Position	Year	Annual Compensation			Long Term Compensation			All Other Compensation (\$)
		Salary (\$)	Bonu s (\$)	Other Annual Compensation (\$)	Awards		Payouts	
					Securities Under Options Granted (#)	Restricted Shares or Restricted Share Units (\$)	LTIP Payouts (\$)	
Jean Jacques Treyvaud., CEO, President since November 25, 2004	2005	Nil	Nil	Nil	Nil	Nil	Nil	\$ 2,800
	2004	Nil	Nil	Nil	Nil	Nil	Nil	\$ 1,200
John Lepinski, Managing Director,	2005	Nil	Nil	Nil	Nil	Nil	Nil	\$ 30,000
	2004	Nil	Nil	Nil	Nil	Nil	Nil	\$ 30,000
Donald Willoughby, CFO	2005	Nil	Nil	Nil	Nil	Nil	Nil	\$ 36,691 <sup>1</sup>
	2004	Nil	Nil	Nil	Nil	Nil	Nil	\$22,751 <sup>1</sup>
John Parks, Secretary, Since October 2004	2005	Nil	Nil	Nil	Nil	Nil	Nil	\$ 151,000 <sup>2</sup>
	2004	Nil	Nil	Nil	Nil	Nil	Nil	\$ 51,900 <sup>2</sup>

1. Fees paid to a professional accounting firm of which, Mr. Willoughby's professional corporation is one of the accounting firm's corporate partners.

2. Legal Fees paid to a law firm of which Mr. Parks is the principle.

1,950,000 employee incentive share options were granted at an exercise price of \$0.61 and 100,000 employee share options at \$0.30 until November 28, 2008. 1,100,000 options were cancelled and 2,100,000 incentive share options were granted to Directors and Executive Officers, bringing the balance of employee incentive share options granted to 3,050,000. In April 2005, the Company repriced the outstanding share options exercisable at \$0.61 per share to be exercisable at \$0.15 during the period from April 15, 2005 to April 14, 2006; \$0.20 during the period from April 15, 2006 to April 14, 2007 and \$0.25 during the period from April 15, 2007 to April 14, 2008. The allocation of these options is disclosed below (E. Share Ownership).

### Termination of Employment, Change in Responsibilities and Employment Contracts

There are no compensatory plans or arrangements with respect to the Named Executive Officers resulting from the resignation, retirement or any other termination of employment of the officer's employment or from a change of the Named Executive Officer's responsibilities following a change in control.

There are no arrangements under which directors were compensated by the Registrant during the financial year ended December 31, 2005 for their services in their capacity as directors and consultants except as herein disclosed. An accounting firm in which a director of the Registrant is associated charged the Registrant \$17,787 (2004 - \$22,751) for accounting fees related to tax filings, quarterly report review and other professional accounting related matters. The Company reimbursed the professional accounting firm \$20,128 for the director's time and disbursements for representing the Company in examinations of discovery carried out during 2005. The President and director of the Company billed the company \$2,800 for consulting fees. John Parks, Solicitor, Corporate



Secretary and director of the Company billed the Company \$151,000 (2004 - \$51,900) for legal fees, as general counsel. For the year ending December 31, 2005, the Company also paid \$6,000 office rent and \$30,000 management fees to companies controlled by the managing director.

### C. Board Practices

All directors were re-elected at the June 27, 2005 annual general meeting and have a term of office expiring at the next annual general meeting of the Registrant is expected to be held in June 2006. All officers have a term of office lasting until their removal or replacement by the Board of Directors.

At the June 27, 2005 annual general meeting, Messrs. Leung CGA, Mitchell LLB, and Shaw PhD, all independent directors, were appointed to the Registrant's Audit Committee. Replacing Messrs. Treyvaud, Parks and re-appointing Mr. Leung. The board also appointed Messrs. Parks B.Comm LLB, Mitchell LLB and Shaw PhD to the Nominating and Corporate Governance Committee. All board committees are reviewed annually by the directors of the Registrant at the first meeting of the board held after the Registrant's annual general meeting.

The primary function of the Audit Committee is to review the financial statements of the Registrant before they are submitted to the board for approval. The audit committee is also available to assist the board if required with matters relating to the appointment of the Registrant's auditor and the overall scope and results of the audit, internal financial controls, and financial information for publication for various purposes. The Registrant has no remuneration committee.

### D. Employees

At December 31, 2005, 2004 and 2003 the Registrant had one direct employee.

### E. Share Ownership

At a Special meeting held December 9, 2002, the shareholders, inter alia, approved an amendment to the 2001 Share Incentive Plan ("the Plan" by reserving up to 3,345,231 post-consolidation common shares for issuance under the Plan and to restate the Plan as the "2002 Share Incentive Plan", on the terms described in the information circular mailed to shareholders in furtherance of the meeting, and subject to regulatory authority. As of December 31, 2005 an aggregate of 3,050,000 Shares have been reserved for issuance pursuant to the following director, executive officer and service provider stock options:

#### (a) Incentive Options

Option holder	Number of Shares	Exercise Price per Share <sup>(1)</sup>	Date of Grant (m/d/y)	Expiry Date (m/d/y)
Jean-Jacques Treyvaud, CEO	350,000	\$0.20/0.25 *	11/14/2003	04/15/2008
Donald Willoughby FCA, CFP	350,000	\$0.20/0.25 *	11/14/2003	04/15/2008
John Parks	1,150,000	\$0.20/0.25 *	11/02/2004	04/15/2008
John Lepinski	350,000	\$0.20/0.25 *	11/14/2003	04/15/2008
Edward Leung	200,000	\$0.20/0.25 *	11/14/2003	04/15/2008
Charles Mitchell	200,000	\$0.20/0.25 *	11/14/2003	04/15/2008
David Shaw	200,000	\$0.20/0.25 *	11/14/2003	04/15/2008
Patrick Raleigh	100,000	\$0.20/0.25 *	11/14/2003	04/15/2008
Marilyn Young	100,000	\$0.20/0.25 *	11/14/2003	04/15/2008
William Cummer	50,000	\$0.20/0.25 *	11/14/2003	04/15/2008

#### 1. No options were exercised during the financial year ended December 31, 2005.

\* In April 2005, the Company repriced the outstanding share options exercisable at \$0.61 per share to be exercisable at \$0.15 during the period from April 15, 2005 to April 14, 2006; \$0.20 during the period from April 15, 2006 to April 14, 2007 and \$0.25 during the period from April 15, 2007 to April 14, 2008.

### Securities Held By Insiders

As at May 12, 2006 the directors and officers of the Registrant and their affiliate companies held as a group, directly and indirectly, own or control an aggregate of 11,664,196 common shares (29.8%) and hold 2,800,000 options 2,430,000 warrants to acquire an additional 1,805,000 common shares.

## **Material Terms of the 2002 Plan**

### *Eligible Optionees*

Under the policies of TSX V, to be eligible for the issuance of a stock option under the 2002 Plan an Optionee must either be a director, officer, employee, consultant or an employee of a company providing management or other services to the Registrant at the time the option is granted.

Options may be granted only to an individual or to a company that is wholly-owned by individuals eligible for an option grant. If the option is granted to a company, that company must provide TSX V with an undertaking that it will not permit any transfer of its shares, nor issue further shares, to any other individual or entity as long as the incentive stock option remains in effect without the consent of TSX V.

### *Material Terms of the Plan*

The following is a summary of the material terms of the 2002 Plan:

- (a) all options granted under the 2002 Plan are non-assignable and non-transferable and for a period of up to 10 years;
  - (b) for stock options granted to employees or service providers (inclusive of management company employees), the Registrant is required to represent that the proposed Optionee is a bona fide employee or service provider (inclusive of a management company employee), as the case may be, of the Registrant.;
  - (c) if an Optionee ceases to be employed by the Registrant or to provide services to the Registrant (other than as a result of termination with cause) or ceases to act as a director or officer of the Registrant or a subsidiary of the Registrant, any option held by such Optionee may be exercised within 90 days after the date such Optionee ceases to be employed as an officer or director or, as the case may be, or within 30 days if the Optionee is engaged in investor relations activities and ceases to be employed to provide investor relations activities;
  - (d) the minimum exercise price of an option granted under the 2002 Plan must not be less than the closing price for the Registrant's common shares as traded on the TSX V on the last trading day before the date that the option is granted less allowable discounts as permitted by TSX V of up to 25%; and
  - (e) no Optionee can be granted an option or options to purchase more than 5% of the outstanding listed shares of the Registrant in a one year period.
- 1. Vesting of options is at the discretion of the board of directors and will be subject to a) and b).
  - 2. Options granted to Consultants retained by the Registrant pursuant to a short term contract or for a specific projects with a finite term, will be subject to such vesting provisions determined by the board of directors of the Registrant at the time of the Option Commitment is made, subject to Regulatory Approval.

The Registrant will obtain "disinterested" shareholders' approval (described below) if:

- (a) the number of options granted to Insiders of the Registrant exceeds 10% of the Registrant's outstanding listed shares; or
- (b) the aggregate number of options granted to Insiders of the Registrant within a one year period exceeds 10% of the Registrant's outstanding listed shares; or
- (c) the number of options granted to any one Insider and such Insider's associates within a one year period exceeds 5% of the Registrant's outstanding listed shares; or
- (d) the Registrant is decreasing the exercise price of options previously granted to Insiders.

### *Disinterested Shareholder Approval*

If options are granted by the Registrant under the 2002 Plan, which trigger the requirement for disinterested shareholder approval ("DSA Options"), the DSA Options need to be presented to shareholders of the Registrant for approval at an annual general or special meeting of the Registrant. No DSA Options can be exercised by the Optionee until disinterested shareholder approval has been obtained.

“Disinterested shareholder approval” means the approval by a majority of the votes cast by all shareholders of the Registrant at the shareholders’ meeting excluding votes attached to listed shares beneficially owned by “Insiders” of the Registrant (generally officers and directors) to whom the DSA Options have been granted under the 2002 Plan and Associates of those Insiders.

## **ITEM 7 MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS**

### **A. Major Shareholders**

The Registrant’s securities are recorded on the books of its transfer agent in registered form, however, the majority of such shares are registered in the name of intermediaries such as brokerage houses and clearing houses on behalf of their respective brokerage clients, and the Registrant does not have knowledge or access to information about of the beneficial owners thereof. To the best of its knowledge, the Registrant is not directly or indirectly owned or controlled by a corporation or foreign government. As of December 31, 2005, the Registrant had unlimited authorized common shares without par value of which 34,078,657 (May 12, 2006 39,078,657)

**“Beneficial owner - The term “beneficial owner” of securities refers to any person who, even if not the record owner of the securities, has or shares the underlying benefits of ownership. These benefits include the power to direct the voting or the disposition of the securities or to receive the economic benefit of ownership of the securities. A person also is considered to be the “beneficial owner” of securities that the person has the right to acquire within 60 days by option or other agreement. Beneficial owners include persons who hold their securities through one or more trustees, brokers, agents, legal representatives or other intermediaries, or through companies in which they have a “controlling interest,” which means the direct or indirect power to direct the management and policies of the entity.”**

The Registrant’s major shareholders do not have different voting rights from other holders of the Registrant’s common shares.

As of May 12, 2006, directors and officers of the Registrant, owned or controlled an aggregate of 11,664,196 shares (29.8%) of the Registrant.

Under the British Columbia *Securities Act*, insiders (generally officers, directors, holders of 10% or more of the Registrant’s shares) are required to file insider reports of changes in their ownership in the first 10 days of the month following a trade in the Registrant’s securities. Copies of such reports are available for public inspection at the offices of the British Columbia Securities Commission, Suite 200 - 865 Hornby Street, Vancouver, British Columbia V6Z 2H4 (phone (604) 899-6500) or at the British Columbia Securities Commission web site ([www.bcsc.bc.ca](http://www.bcsc.bc.ca)).

As of May 12, 2006 there were 66 registered shareholders of record holding a total of 39,078,657 common shares of the Registrant. To the best of the Registrant’s knowledge there were 50 registered shareholders of record with registered addresses in Canada, 10 shareholders of record with registered addresses in the United States and 6 shareholders of record with registered addresses in other countries holding approximately 38,873,110 (99.47%) - 202,422 (0.52%) and 3,125 (0.01%) of the outstanding common shares, respectively. Shares registered in intermediaries were assumed to be held by residents of the same country in which the clearing house was located.

### **B. Related Party Transactions**

No director or senior officer, and no associate or affiliate of the foregoing persons, and no insider has or has had any material interest, direct or indirect, in any other transactions, or in any other proposed transaction, which in either such case has materially affected or will materially affect the Registrant or its predecessors during the year ended December 31, 2005, except on December 9, 2002, the Registrant held a Special Meeting whereby the shareholders approved an ordinary resolution of disinterested shareholders authorizing the directors to conclude a proposed agreement between the Registrant and Robak Industries Ltd., a holding company of director John Lepinski to acquire the Getty South property (as to 50%) and 100 % of the Southwest and Central mineral claims (each subject to a 1.5% NSR) for a total of 12.0 million (pre-reversed-split) fully paid common shares. The transaction received TSX V approval on March 7, 2003 and details of the transaction can be reviewed in the management proxy circular prepared for the December 9, 2002 meeting which is publicly accessible at [www.sedar.com](http://www.sedar.com).

In 2004, the Board of Directors considered acquiring the remaining 50% of Getty South from Robak. The board commissioned a valuation of the Robak interest from the same party who carried out the 2002 valuation. The valuator presented information about his 2002 report that caused the board to re-examine the 2002 transaction. A committee of the whole of the directors, with the exception of John Lepinski, as an independent review committee,

has initiated a thorough review of the historical geological data of the Getty South Property. To date the board has received nothing that would suggest that the Getty South acquisition should be rescinded. The board expects the report of the independent review committee will be received in fiscal 2006.

**C. Interests of Experts and Counsel**

Not applicable.

**ITEM 8 FINANCIAL INFORMATION**

**A. Consolidated Statements and Other Financial Information**

See “Item 17 Financial Statements” and Items 3 and 5.

**Legal Proceedings**

On October 15, 2004, a shareholder, Robert Blankstein initiated a lawsuit in the BC Supreme Court naming the Registrant and a number of directors. On November 12, 2004, the day following the commencement of Examination for Discovery of Robert Blankstein, the lawsuit was discontinued by Blankstein.

On January 10, 2005, former director Robert Gardner and on May 27, 2005, former director Vittorio Preto, filed Third Party actions against the Registrant claiming indemnification from any costs and/or damages arising from a lawsuit brought November 24, 2004 against Gardner and Preto. The Registrant filed a Defence to the claim insisting that Gardner and Preto are not entitled to indemnification, asserting that Gardner and Preto did not act honestly and in good faith with a view to the best interests of the Registrant and otherwise did not discharge the fiduciary and other duties they owed to the Registrant as directors.

On January 24, 2005 Vanguard Shareholder Solutions Inc. initiated a lawsuit against the Registrant claiming \$23,041.27 for Investor Services allegedly performed between June 22 and September 30, 2004. After the Registrant advised counsel for Vanguard that the alleged services were never authorized by the Registrant nor by the TSX Venture Exchange, Vanguard discontinued the lawsuit on March 1, 2005.

On January 26, 2005, the Registrant caused its counsel, Stikeman Elliott, to initiate an action in the BC Supreme Court taxing the account of Blake Cassels & Graydon. The hearing for the taxation has been adjourned sine die.

On March 14, 2006, the Company filed for leave of the Supreme Court of British Columbia to issue a Counter Claim against former directors Robert Gardner and Vittorio Preto as well as Ross Glanville and Ross Granville & Associates claiming damages for negligence and breach of fiduciary duties owed to the Company.

On April 25, 2006, the Company initiated a lawsuit in the Supreme Court of British Columbia against the law firm of Blake Cassels & Graydon LLP. The lawsuit claims inter alia, negligence and damages for breach of duty owed to the Company.

**Dividend Policy**

The Registrant has not paid any dividends on its outstanding common shares since its incorporation and does not anticipate that it will do so in the foreseeable future. All funds of the Registrant are being retained for exploration of its Projects.

**B. Significant Changes**

There have been no significant changes to the accompanying financial statements since December 31, 2004, except as disclosed herein.

## ITEM 9 THE OFFER AND LISTING

### A. Offer and Listing Details

#### Trading Markets

**TSX Venture Exchange:** GTC – Trading in Canadian Dollars (formally GTY prior to share consolidation 2 for 1 March 7, 2003)

	High (\$)	Low (\$)		High (\$)	Low (\$)
<b>Annual</b>			<b>By Quarter</b>		
2005	0.19	.07	Calendar 2004		
2004	0.80	0.16	First Quarter	0.80	0.60
2003	0.75	0.18	Second Quarter	0.75	0.50
2002	0.40	0.08	Third Quarter	0.70	0.23
2001	0.23	0.03	Fourth Quarter	0.42	0.16
<b>Monthly</b>			Calendar 2005		
			First Quarter	0.19	0.10
January, 2006	0.13	0.10	Second Quarter	0.13	0.095
February, 2006	0.14	0.105	Third Quarter	0.105	0.065
March, 2006	0.10	0.085	Fourth Quarter	0.11	0.07
April, 2006	0.105	0.13			
May, 2006	0.125	0.09	Calendar 2006		
			First Quarter	0.14	0.085

### B. Plan of Distribution

Not applicable.

### C. Markets

The shares of the Registrant have traded in Canada on the TSX V, formally Canadian Venture Exchange (“CDNX” successor Exchange to the Vancouver Stock Exchange) commencing June 9, 1993, (symbol-GTY) and since December 6, 1996 on the Toronto Stock Exchange (“TSE”). On August 1, 2000 the Registrant’s common shares were suspended from trading on the TSE due to the Registrant’s level of business activity and the amount of its exploration expenditures. The Registrant has delisted from the Toronto Stock Exchange and currently only trades on the TSX V.

### D. Selling Shareholders

Not applicable.

### E. Dilution

Not applicable.

### F. Expenses of the Issue

Not applicable.

## ITEM 10 ADDITIONAL INFORMATION

### A. Share Capital

The Registrant’s share capital consists of one class only, namely common shares without par value, of which an unlimited number of shares are authorized and 39,078,657 common shares without par value are issued and outstanding as of May 12<sup>th</sup>, 2006. The accompanying audited financial statements provide details of all share

issuance effected by the Registrant in the issue price per share for the four previous fiscal years. There are no shares of the Registrant which are held by or on behalf of the Registrant. There was a share consolidation on March 7, 2003, on a two old for one new basis. There were no other changes in the classification of common shares (reclassifications, consolidations, reverse splits or the like) within the previous five years. All common shares of the Registrant rank *pari passu* for the payment of any dividends and distributions in the event of a windup.

## **B. Memorandum and Articles of Association**

The Registrant's Articles of Incorporation are registered with Industry Canada under Certificate No. 197635-1 under the *Canada Business Corporations Act* ("CBCA").

### **Objects and Purposes**

The Registrant's Restated Articles of Incorporation do not specify objects or purposes.

### **Directors Powers and Limitations**

The Registrant's By-laws specify that there will be a minimum of three and a maximum of seven directors. Directors automatically retire at the commencement of each annual meeting subject to being re-elected.

Although the Registrant's directors and officers have various fiduciary obligations to the Registrant, situations may arise where the interests of the directors and officers could conflict with those of the Registrant. The potential conflicts of interest arise as a result of common ownership and certain common directors, officers, and personnel of the Registrant and their associates and affiliates. These conflicts are normally resolved in accordance with the CBCA (in the case of the Registrant) which requires disclosures of conflicts at meetings of the directors held for the purposes, *inter alia*, of acquiring assets or dealing in assets in which directors have an interest. These directors are then prevented from voting on any resolution passed by the Board with respect to any such acquisition or dealing.

The CBCA, however, provides that directors who have an interest in the transaction or matter can vote on any resolution if the contract they are approving is an arrangement by way of security for money lent or obligations undertaken by the director for the benefit of the Registrant, relating to the remuneration of the director, relating to indemnities or insurance for directors or a contract with an affiliate.

The directors and officers of the Registrant are both by statute and at common law, required to act fairly and in the best interest of the Registrant and are not permitted to breach this fiduciary duty for their own benefit.

While the Registrant does not anticipate making any loans to directors, officers or affiliates, if such a need should arise, no future loans will be made to such persons absent a bona fide, and independent business purpose.

### *Shareholders' Meetings*

Under the CBCA, the Registrant's directors must call an annual meeting of shareholders not later than 15 months after holding the last preceding annual meeting and may at any time call a special meeting of shareholders.

For the purpose of determining shareholders entitled to receive notice of a meeting of shareholders, the directors may fix in advance a date as the record date for such determination, but such record date shall not proceed by more than 50 days or by less than 21 days the date on which the meeting is to be held.

Under the CBCA, notice of the time and place of a meeting of shareholders shall be sent not less than 21 days nor more than 50 days before the meeting to each shareholder entitled to vote at the meeting. A National Policy Statement of the Canadian Securities Regulators extends the date by which notice must be given to shareholders. Under that National Policy Statement an advance notice of annual meeting must be published 60 days before the date of such annual meeting. As well, the National Policy Statement requires that meeting materials be sent to registered holders approximately 35 days before the meeting date, so that such registered holders can forward the materials to beneficial holders.

### *Common Shares*

The holders of Common Shares are entitled to one vote for each share on all matters submitted to a vote of shareholders. There is no cumulative voting with respect to the election of directors. Accordingly, holders of a

majority of the shares entitled to vote in any election of directors may elect all of the directors standing for election. Subject to preferences that may be applicable to any then outstanding Preferred Shares, the holders of Common Shares are entitled to receive such dividends, if any, as may be declared by the Board of Directors from time to time out of legally available funds. Upon liquidation, dissolution or winding up of the Registrant, the holders of Common Shares are entitled to share rateably in all assets of the Registrant that are legally available for distribution, after payment of all debts and other liabilities. The holders of Common Shares have no redemption or conversion rights. The rights, preferences and privileges of holders of Common Shares are subject to the rights of the holders of shares of any series of Preferred Shares that the Registrant may issue in the future.

#### *Redemption*

The Registrant has no redeemable securities authorized or issued.

#### *Pre-emptive Rights*

There are no pre-emptive rights applicable to the Registrant which provide a right to any person to participate in offerings of the Registrant's securities

#### *Liquidation*

All common shares of the Registrant participate rateably in any available assets in the event of a winding up or other liquidation.

#### *No Limitation on Foreign Ownership*

There are no limitations under the Registrant's Articles or in the CBCA on the right of persons who are not citizens of Canada to hold or vote common shares. (See also "Exchange Controls" – below.)

#### *Dividends*

Dividends may be declared by the Board out of available assets and are paid rateably to holders of common shares. No dividend may be paid if the Registrant is, or would thereby become, insolvent.

#### *Voting Rights*

Each Registrant share is entitled to one vote on matters to which common shares ordinarily vote including the election of directors, appointment of auditors and approval of corporate changes and other matters requiring shareholder approval.

#### *Change in Control*

The Registrant has not implemented any shareholders' rights or other "poison pill" protection against possible take-overs. The Registrant does not have any agreements which are triggered by a take-over or other change of control. There are no provisions in its articles triggered by or affected by a change in outstanding shares which gives rise to a change in control.

#### *Share Ownership Reporting*

The articles of the Registrant do not require disclosure of share ownership. Share ownership of director nominees must be reported annually in proxy materials sent to the Registrant's shareholders. There are no requirements under British Columbia corporate law to report ownership of shares of the Registrant but the British Columbia Securities Act requires disclosure of trading by insiders including holders of 10% of voting shares within 10 days of the trade. Controlling shareholders (generally those in excess of 20% of outstanding shares) must provide seven days advance notice of share sales.

### **C. Material Contracts**

(a) The Registrant's material contracts are as follows:

1. NSR Agreement

2. November 2002 agreement with Robak whereby the company acquired its interest in the New Getty Properties as described in Item 4 and Item 7; and
2. HVC Memorandum of Understanding; - Cancelled December 2004.
3. December 2003, Flow Through private placement \$2,015,000.
4. December 2004 Private Placement \$1,100,000.
5. May 2005 Private Placement \$200,250.
6. January 2006 Private Placement \$500,000.

#### **D. Exchange Controls**

The Registrant is a Canadian Company. There is no law or governmental decree or regulation in Canada that restricts the export or import of capital, or affects the remittance of dividends, interest or other payments to a non-resident holder of Common Shares, other than withholding tax requirements. Any such remittances to United States residents are generally subject to withholding tax. See "Taxation", below.

There is no limitation imposed by the laws of Canada or by the charter or other constituent documents of the Registrant on the right of a non-resident to hold or vote the Common Shares, other than as provided in the *Investment Canada Act* (Canada) (the "*Investment Act*"). The following discussion summarizes the material features of the *Investment Act* for a non-resident who proposes to acquire a controlling number of Common Shares. It is general only, it is not a substitute for independent advice from an investor's own advisor, and it does not anticipate statutory or regulatory amendments. The Registrant does not believe the *Investment Act* will have any effect on it or on its non-Canadian shareholders due to a number of factors including the nature of its operations and the Registrant's relatively small capitalization.

The *Investment Act* generally prohibits implementation of a reviewable investment by an individual, government or agency thereof, corporation, partnership, trust or joint venture (each an "entity") that is not a "Canadian" as defined in the *Investment Act* (a "non-Canadian"), unless after review the Director of Investments appointed by the minister responsible for the *Investment Act* is satisfied that the investment is likely to be of net benefit to Canada. The size and nature of a proposed transaction may give rise to an obligation to notify the Director to seek an advance ruling. An investment in the Common Shares by a non-Canadian other than a "WTO Investor" (as that term is defined in the *Investment Act* and which term includes entities which are nationals of or are controlled by nationals of member states of the World Trade Organization) when the Registrant was not controlled by a WTO Investor, would be reviewable under the *Investment Act* if it was an investment to acquire control of the Registrant and the value of the assets of the Registrant, as determined in accordance with the regulations promulgated under the *Investment Act*, was \$5 million or more, or if an order for review was made by the federal cabinet on the grounds that the investment related to Canada's cultural heritage or national identity, regardless of the value of the assets of the Registrant. An investment in the Common Shares by a WTO Investor, or by a non-Canadian when the Registrant was controlled by a WTO Investor, would be reviewable under the *Investment Act* if it was an investment to acquire control of the Registrant and the value of the assets of the Registrant, as determined in accordance with the regulations promulgated under the *Investment Act*, was not less than a specified amount, which for 2001 exceeds Cdn\$192 million. A non-Canadian would acquire control of the Registrant for the purposes of the *Investment Act* if the non-Canadian acquired a majority of the Common Shares. The acquisition of less than a majority but one-third or more of the Common Shares would be presumed to be an acquisition of control of the Registrant unless it could be established that, on the acquisition, the Registrant was not controlled in fact by the acquirer through the ownership of the Common Shares.

The foregoing assumes the Registrant will not engage in the production of uranium or own an interest in a producing uranium property in Canada, or provide any financial service or transportation service, as the rules governing these businesses are different.



Certain transactions relating to the Common Shares would be exempt from the *Investment Act*, including

- a) an acquisition of the Common Shares by a person in the ordinary course of that person's business as a trader or dealer in securities,
- b) an acquisition of control of the Registrant in connection with the realization of security granted for a loan or other financial assistance and not for a purpose related to the provisions of the *Investment Act*, and
- c) an acquisition of control of the Registrant by reason of an amalgamation, merger, consolidation or corporate reorganization following which the ultimate direct or indirect control in fact of the Registrant, through the ownership of the Common Shares, remained unchanged.

## **E. Taxation**

### **Certain Canadian Federal Income Tax Consequences**

The discussion under this heading summarizes the principal Canadian federal income tax consequences of acquiring, holding and disposing of shares of common stock of the Registrant for a shareholder of the Registrant who is not a resident of Canada but is a resident of the United States and who will acquire and hold shares of common stock of the Registrant as capital property for the purposes of the *Income Tax Act* (Canada) (the "Canadian Tax Act"). This summary does not apply to a shareholder who carries on business in Canada through a "permanent establishment" situated in Canada or performs independent personal services in Canada through a fixed base in Canada if the shareholder's holding in the Registrant is effectively connected with such permanent establishment or fixed base. This summary is based on the provisions of the Canadian Tax Act and the regulations thereunder and on an understanding of the administrative practices of Canada Revenue Agency, and takes into account all specific proposals to amend the Canadian Tax Act or regulations made by the Minister of Finance of Canada as of the date hereof. It has been assumed that there will be no other relevant amendment of any governing law although no assurance can be given in this respect. This discussion is general only and is not, nor is it intended to provide a detailed analysis of the income tax implications of any particular shareholder's interest. Investors are advised to obtain independent advice from a shareholder's own Canadian and U.S. tax advisors with respect to income tax implications pertinent to their particular circumstances.

The provisions of the Canadian Tax Act are subject to income tax treaties to which Canada is a party, including the Canada-United States Income Tax Convention (1980), as amended (the "Convention").

#### ***Dividends on Common Shares and Other Income***

Under the Canadian Tax Act, a non-resident of Canada is generally subject to Canadian withholding tax at the rate of 25 percent on dividends paid or deemed to have been paid to him or her by a corporation resident in Canada. The Registrant is responsible for withholding of tax at the source. The Convention limits the rate to 15 percent if the shareholder is a resident of the United States and the dividends are beneficially owned by and paid to such shareholder, and to 5 percent if the shareholder is also a corporation that beneficially owns at least 10 percent of the voting stock of the payor corporation.

The amount of a stock dividend (for tax purposes) would generally be equal to the amount by which the paid up or stated capital of the Registrant had increased by reason of the payment of such dividend. The Registrant will furnish additional tax information to shareholders in the event of such a dividend. Interest paid or deemed to be paid on the Registrant's debt securities held by non-Canadian residents may also be subject to Canadian withholding tax, depending upon the terms and provisions of such securities and any applicable tax treaty.

The Convention generally exempts from Canadian income tax dividends paid to a religious, scientific, literary, educational or charitable organization or to an organization constituted and operated exclusively to administer a pension, retirement or employee benefit fund or plan, if the organization is a resident of the United States and is exempt from income tax under the laws of the United States.

#### ***Dispositions of Common Shares***

Under the Canadian Tax Act, a taxpayer's capital gain or capital loss from a disposition of a share of common stock of the Registrant is the amount, if any, by which his or her proceeds of disposition exceed (or are exceeded by, respectively) the aggregate of his or her adjusted cost base of the share and reasonable expenses of disposition. The

capital gain or loss must be computed in Canadian currency using a weighted average adjusted cost base for identical properties. 50% of the capital gains net of losses are included in income for Canadian income tax purposes. The amount by which a shareholder's capital loss exceeds the capital gain in a year may be deducted from a capital gain realized by the shareholder in the three previous years or any subsequent year, subject to certain restrictions in the case of a corporate shareholder.

Under the Canadian Tax Act, a non-resident of Canada is subject to Canadian tax on taxable capital gains, and may deduct allowable capital losses, realized on a disposition of "taxable Canadian property." Shares of common stock of the Registrant will constitute taxable Canadian property of a shareholder at a particular time if the shareholder used the shares in carrying on business in Canada, or if at any time in the five years immediately preceding the disposition 25% or more of the issued shares of any class or series in the capital stock of the Registrant belonged to one or more persons in a group comprising the shareholder and persons with whom the shareholder and persons with whom the shareholder did not deal at arm's length and in certain other circumstances.

The Convention relieves United States residents from liability for Canadian tax on capital gains derived on a disposition of shares unless

- (a) the value of the shares is derived principally from "real property" in Canada, including the right to explore for or exploit natural resources and rights to amounts computed by reference to production,
- (b) the shareholder was resident in Canada for 120 months during any period of 20 consecutive years preceding, and at any time during the 10 years immediately preceding, the disposition and the shares were owned by him when he or she ceased to be resident in Canada, or
- (c) the shares formed part of the business property of a "permanent establishment" that the holder has or had in Canada within the 12 months preceding the disposition.

## **United States Tax Consequences**

### ***United States Federal Income Tax Consequences***

The following is, in the opinion of the Registrant after consultation with its professional advisors, a discussion of material United States federal income tax consequences, under current law, generally applicable to a U.S. Holder (as hereinafter defined) of common shares of the Registrant. This discussion does not address all potentially relevant federal income tax matters and it does not address consequences peculiar to persons subject to special provisions of federal income tax law, such as those described below as excluded from the definition of a U.S. Holder. In addition, this discussion does not cover any state, local or foreign tax consequences. (see "Taxation – Canadian Federal Income Tax Consequences" above). Accordingly, holders and prospective holders of common shares of the Registrant are urged to consult their own tax advisors about the specific federal, state, local, and foreign tax consequences to them of purchasing, owning and disposing of common shares of the Registrant, based upon their individual circumstances.

The following discussion is based upon the sections of the Internal Revenue Code of 1986, as amended (the "Code"), Treasury Regulations, published Internal Revenue Service ("IRS") rulings, published administrative positions of the IRS and court decisions that are currently applicable, any or all of which could be materially and adversely changed, possibly on a retroactive basis, at any time and which are subject to differing interpretations. This discussion does not consider the potential effects, both adverse and beneficial, of any proposed legislation which, if enacted, could be applied, possibly on a retroactive basis, at any time.

### ***U.S. Holders***

As used herein, a "U.S. Holder" means a holder of common shares of the Registrant who is a citizen or individual resident of the United States, a corporation or partnership created or organized in or under the laws of the United States or of any political subdivision thereof, an entity created or organized in or under the laws of the United States or of any political subdivision thereof which has elected to be treated as a corporation for United States federal income tax purposes (under Treasury Regulation Section 301.7701-3), an estate whose income is taxable in the United States irrespective of source or a trust subject to the primary supervision of a court within the United States and control of a United States fiduciary as described in Section 7701(a)(30) of the Code. This summary does not address the tax consequences to, and U.S. Holder does not include, persons subject to specific provisions of federal income tax law, such as tax-exempt organizations, qualified retirement plans, individual retirement accounts and other tax-deferred accounts, financial institutions, insurance companies, real estate investment trusts, regulated

investment companies, broker-dealers, non-resident alien individuals, persons or entities that have a “functional currency” other than the U.S. dollar, shareholders subject to the alternative minimum tax, shareholders who hold common shares as part of a straddle, hedging or conversion transaction, and shareholders who acquired their common shares through the exercise of employee stock options or otherwise as compensation for services. This summary is limited to U.S. Holders who own common shares as capital assets and who own (directly and indirectly, pursuant to applicable rules of constructive ownership) no more than 5% of the value of the total outstanding stock of the Registrant. This summary does not address the consequences to a person or entity holding an interest in a shareholder or the consequences to a person of the ownership, exercise or disposition of any options, warrants or other rights to acquire common shares. In addition, this summary does not address special rules applicable to United States persons (as defined in Section 7701(a)(30) of the Code) holding common shares through a foreign partnership or to foreign persons holding common shares through a domestic partnership.

### ***Distribution on Common Shares of Getty***

In general, U.S. Holders receiving dividend distributions (including constructive dividends) with respect to common shares of the Registrant are required to include in gross income for United States federal income tax purposes the gross amount of such distributions, equal to the U.S. dollar value of such distributions on the date of receipt (based on the exchange rate on such date), to the extent that the Registrant has current or accumulated earnings and profits, without reduction for any Canadian income tax withheld from such distributions. Such Canadian tax withheld may be credited, subject to certain limitations, against the U.S. Holder’s federal income tax liability or, alternatively, may be deducted in computing the U.S. Holder’s federal taxable income by those who itemize deductions. (See more detailed discussion at “Foreign Tax Credit” below). To the extent that distributions exceed current or accumulated earnings and profits of the Registrant, they will be treated first as a return of capital up to the U.S. Holder’s adjusted basis in the common shares and thereafter as gain from the sale or exchange of property. Preferential tax rates for long-term capital gains are applicable to a U.S. Holder which is an individual, estate or trust. There are currently no preferential tax rates for long-term capital gains for a U.S. Holder which is a corporation.

In the case of foreign currency received as a dividend that is not converted by the recipient into U.S. dollars on the date of receipt, a U.S. Holder will have a tax basis in the foreign currency equal to its U.S. dollar value on the date of receipt. Generally any gain or loss recognized upon a subsequent sale or other disposition of the foreign currency, including the exchange for U.S. dollars, will be ordinary income or loss. However, an individual whose realized gain does not exceed \$200 will not recognize that gain, provided that there are no expenses associated with the transaction that meet the requirements for deductibility as a trade or business expense (other than travel expenses in connection with a business trip) or as an expense for the production of income.

Dividends paid on the common shares of the Registrant generally will not be eligible for the dividends received deduction provided to corporations receiving dividends from certain United States corporations. A U.S. Holder which is a corporation and which owns shares representing at least 10% of the voting power and value of the Registrant may, under certain circumstances, be entitled to a 70% (or 80% if the U.S. Holder owns shares representing at least 20% of the voting power and value of the Registrant) deduction of the United States source portion of dividends received from the Registrant (unless the Registrant qualifies as a “foreign personal holding company” or a “passive foreign investment company,” as defined below). The Registrant does not anticipate that it will earn any United States income, however, and therefore does not anticipate that any U.S. Holder will be eligible for the dividends received deduction.

Under current Treasury Regulations, dividends paid on the Registrant’s common shares, if any, generally will not be subject to information reporting and generally will not be subject to U.S. backup withholding tax. However, dividends and the proceeds from a sale of the Registrant’s common shares paid in the U.S. through a U.S. or U.S. related paying agent (including a broker) will be subject to U.S. information reporting requirements and may also be subject to the 28% U.S. backup withholding tax, unless the paying agent is furnished with a duly completed and signed Form W-9. Any amounts withheld under the U.S. backup withholding tax rules will be allowed as a refund or a credit against the U.S. Holder’s U.S. federal income tax liability, provided the required information is furnished to the IRS.

### ***Foreign Tax Credit***

A U.S. Holder who pays (or has withheld from distributions) Canadian income tax with respect to the ownership of common shares of the Registrant may be entitled, at the option of the U.S. Holder, to either receive a deduction or a tax credit for such foreign tax paid or withheld. Generally, it will be more advantageous to claim a credit because a credit reduces United States federal income taxes on a dollar-for-dollar basis, while a deduction merely reduces the taxpayer’s income subject to tax. This election is made on a year-by-year basis and generally applies to all foreign

taxes paid by (or withheld from) the U.S. Holder during that year. There are significant and complex limitations which apply to the credit, among which is the general limitation that the credit cannot exceed the proportionate share of the U.S. Holder's United States income tax liability that the U.S. Holder's foreign source income bears to his or its worldwide taxable income. In the determination of the application of this limitation, the various items of income and deduction must be classified into foreign and domestic sources. Complex rules govern this classification process. In addition, this limitation is calculated separately with respect to specific classes of income. Dividends distributed by the Registrant will generally constitute "passive income" for these purposes. The availability of the foreign tax credit and the application of the limitations on the credit are fact specific, and U.S. Holders of common shares of the Registrant should consult their own tax advisors regarding their individual circumstances.

### ***Disposition of Common Shares of Getty***

In general, U.S. Holders will recognize gain or loss upon the sale of common shares of the Registrant equal to the difference, if any, between (i) the amount of cash plus the fair market value of any property received, and (ii) the shareholder's tax basis in the common shares of the Registrant. Preferential tax rates apply to long-term capital gains of U.S. Holders which are individuals, estates or trusts. In general, gain or loss on the sale of common shares of the Registrant will be long-term capital gain or loss if the common shares are a capital asset in the hands of the U.S. Holder and are held for more than one year. Deductions for net capital losses are subject to significant limitations. For U.S. Holders which are not corporations, any unused portion of such net capital loss may be carried over to be used in later tax years until such net capital loss is thereby exhausted. For U.S. Holders that are corporations (other than corporations subject to Subchapter S of the Code), an unused net capital loss may be carried back three years and carried forward five years from the loss year to be offset against capital gains until such net capital loss is thereby exhausted.

### ***Other Considerations***

Set forth below are certain material exceptions to the above-described general rules describing the United States federal income tax consequences resulting from the holding and disposition of common shares:

### ***Foreign Personal Holding Company***

If at any time during a taxable year more than 50% of the total combined voting power or the total value of the Registrant's outstanding shares is owned, directly or indirectly (pursuant to applicable rules of constructive ownership), by five or fewer individuals who are citizens or residents of the United States and 60% or more of the Registrant's gross income for such year is derived from certain passive sources (e.g., from certain interest and dividends), the Registrant may be treated as a "foreign personal holding company." In that event, U.S. Holders that hold common shares would be required to include in gross income for such year their allocable portions of such passive income to the extent the Registrant does not actually distribute such income. The Registrant does not believe that it currently qualifies as a foreign personal holding company. However, there can be no assurance that the Registrant will not be considered a foreign personal holding company for the current or any future taxable year.

### ***Foreign Investment Company***

If 50% or more of the combined voting power or total value of the Registrant's outstanding shares is held, directly or indirectly, by citizens or residents of the United States, United States domestic partnerships or corporations, or estates or trusts other than foreign estates or trusts (as defined by Code Section 7701(a)(31)), and the Registrant is found to be engaged primarily in the business of investing, reinvesting, or trading in securities, commodities, or any interest therein, it is possible that the Registrant may be treated as a "foreign investment company" as defined in Section 1246 of the Code, causing all or part of any gain realized by a U.S. Holder selling or exchanging common shares to be treated as ordinary income rather than capital gain. The Registrant does not believe that it currently qualifies as a foreign investment company. However, there can be no assurance that the Registrant will not be considered a foreign investment company for the current or any future taxable year.

### ***Passive Foreign Investment Company***

United States income tax law contains rules governing "passive foreign investment companies" ("PFIC") which can have significant tax effects on U.S. Holders of foreign corporations. These rules do not apply to non-U.S. Holders. Section 1297 of the Code defines a PFIC as a corporation that is not formed in the United States if, for any taxable year, either (i) 75% or more of its gross income is "passive income," which includes interest, dividends and certain rents and royalties or (ii) the average percentage, by fair market value (or, if the corporation is not publicly traded and either is a controlled foreign corporation or makes an election, by adjusted tax basis), of its assets that produce

or are held for the production of “passive income” is 50% or more. The Registrant appears to have been a PFIC for the fiscal year ended December 31, 2005, and at least certain prior fiscal years. In addition, the Registrant expects to qualify as a PFIC for the fiscal years ending December 31, 2005 and may also qualify as a PFIC in future fiscal years. Each U.S. Holder of the Registrant is urged to consult a tax advisor with respect to how the PFIC rules affect such U.S. Holder’s tax situation.

Each U.S. Holder who holds stock in a foreign corporation during any year in which such corporation qualifies as a PFIC is subject to United States federal income taxation under one of three alternative tax regimes at the election of such U.S. Holder. The following is a discussion of such alternative tax regimes applied to such U.S. Holders of the Registrant. In addition, special rules apply if a foreign corporation qualifies as both a PFIC and a “controlled foreign corporation” (as defined below) and a U.S. Holder owns, actually or constructively, 10% or more of the total combined voting power of all classes of stock entitled to vote of such foreign corporation (See more detailed discussion at “Controlled Foreign Corporation” below).

A U.S. Holder who elects to treat the Registrant as a qualified electing fund (“QEF”) will be subject, under Section 1293 of the Code, to current federal income tax for any taxable year to which the election applies in which the Registrant qualifies as a PFIC on his pro rata share of Getty’s (i) “net capital gain” (the excess of net long-term capital gain over net short-term capital loss), which will be taxed as long-term capital gain, and (ii) “ordinary earnings” (the excess of earnings and profits over net capital gain), which will be taxed as ordinary income, in each case, for the shareholder’s taxable year in which (or with which) the Registrant’s taxable year ends, regardless of whether such amounts are actually distributed. A U.S. Holder’s tax basis in the common shares will be increased by any such amount that is included in income but not distributed.

The procedure a U.S. Holder must comply with in making an effective QEF election, and the consequences of such election, will depend on whether the year of the election is the first year in the U.S. Holder’s holding period in which the Registrant is a PFIC. If the U.S. Holder makes a QEF election in such first year, i.e., a “timely” QEF election, then the U.S. Holder may make the QEF election by simply filing the appropriate documents at the time the U.S. Holder files his tax return for such first year. If, however, the Registrant qualified as a PFIC in a prior year during the U.S. Holder’s holding period, then, in order to avoid the Section 1291 rules discussed below, in addition to filing documents, the U.S. Holder must elect to recognize under the rules of Section 1291 of the Code (discussed herein), (i) any gain that he would otherwise recognize if the U.S. Holder sold his stock on the qualification date or (ii) if the Registrant is a controlled foreign corporation, the U.S. Holder’s pro rata share of the Registrant’s post-1986 earnings and profits as of the qualification date. The qualification date is the first day of the Registrant’s first tax year in which the Registrant qualified as a QEF with respect to such U.S. Holder. For purposes of this discussion, a U.S. Holder who makes (i) a timely QEF election, or (ii) an untimely QEF election and either of the above-described gain-recognition elections under Section 1291 is referred to herein as an “Electing U.S. Holder.” A U.S. Holder who holds common shares at any time during a year of the Registrant in which the Registrant is a PFIC and who is not an Electing U.S. Holder (including a U.S. Holder who makes an untimely QEF election and makes neither of the above-described gain-recognition elections) is referred to herein as a “Non-Electing U.S. Holder.” An Electing U.S. Holder (i) generally treats any gain realized on the disposition of his Company common shares as capital gain; and (ii) may either avoid interest charges resulting from PFIC status altogether, or make an annual election, subject to certain limitations, to defer payment of current taxes on his share of the Registrant’s annual realized net capital gain and ordinary earnings subject, however, to an interest charge. If the U.S. Holder is not a corporation, any interest charge imposed under the PFIC regime would be treated as “personal interest” that is not deductible.

In order for a U.S. Holder to make (or maintain) a valid QEF election, the Registrant must provide certain information regarding its net capital gains and ordinary earnings and permit its books and records to be examined to verify such information. The Registrant intends to make the necessary information available to U.S. Holders to permit them to make (and maintain) QEF elections with respect to the Registrant. The Registrant urges each U.S. Holder to consult a tax advisor regarding the availability of, and procedure for making, the QEF election.

A QEF election, once made with respect to the Registrant, applies to the tax year for which it was made and to all subsequent tax years, unless the election is invalidated or terminated, or the IRS consents to revocation of the election. If a QEF election is made by a U.S. Holder and the Registrant ceases to qualify as a PFIC in a subsequent tax year, the QEF election will remain in effect, although not applicable, during those tax years in which the Registrant does not qualify as a PFIC. Therefore, if the Registrant again qualifies as a PFIC in a subsequent tax year, the QEF election will be effective and the U.S. Holder will be subject to the rules described above for Electing U.S. Holders in such tax year and any subsequent tax years in which the Registrant qualifies as a PFIC. In addition, the QEF election remains in effect, although not applicable, with respect to an Electing U.S. Holder even after such U.S. Holder disposes of all of his or its direct and indirect interest in the shares of the Registrant. Therefore, if such U.S.

Holder reacquires an interest in the Registrant, that U.S. Holder will be subject to the rules described above for Electing U.S. Holders for each tax year in which the Registrant qualifies as a PFIC.

In the case of a Non-Electing U.S. Holder, special taxation rules under Section 1291 of the Code will apply to (i) gains realized on the disposition (or deemed to be realized by reasons of a pledge) of his Registrant common shares and (ii) certain “excess distributions,” as defined in Section 1291(b), by the Registrant.

A Non-Electing U.S. Holder generally would be required to pro rate all gains realized on the disposition of his Registrant common shares and all excess distributions on his Registrant common shares over the entire holding period for the common shares. All gains or excess distributions allocated to prior years of the U.S. Holder (excluding any portion of the holder’s period prior to the first day of the first year of the Registrant (i) which began after December 31, 1986, and (ii) for which the Registrant was a PFIC) would be taxed at the highest tax rate for each such prior year applicable to ordinary income. The Non-Electing U.S. Holder also would be liable for interest on the foregoing tax liability for each such prior year calculated as if such liability had been due with respect to each such prior year. A Non-Electing U.S. Holder that is not a corporation must treat this interest charge as “personal interest” which, as discussed above, is wholly non-deductible. The balance, if any, of the gain or the excess distribution will be treated as ordinary income in the year of the disposition or distribution, and no interest charge will be incurred with respect to such balance. In certain circumstances, the sum of the tax and the PFIC interest charge may exceed the amount of the excess distribution received, or the amount of proceeds of disposition realized, by the U.S. Holder.

If the Registrant is a PFIC for any taxable year during which a Non-Electing U.S. Holder holds Registrant common shares, then the Registrant will continue to be treated as a PFIC with respect to such Registrant common shares, even if it is no longer definitionally a PFIC. A Non-Electing U.S. Holder may terminate this deemed PFIC status by electing to recognize gain (which will be taxed under the rules discussed above for Non-Electing U.S. Holders) as if such Registrant common shares had been sold on the last day of the last taxable year for which it was a PFIC.

Effective for tax years of U.S. Holders beginning after December 31, 1997, U.S. Holders who hold (actually or constructively) marketable stock of a foreign corporation that qualifies as a PFIC may elect to mark such stock to the market annually (a “mark-to-market election”). If such an election is made, such U.S. Holder will generally not be subject to the special taxation rules of Section 1291 discussed above. However, if the mark-to-market election is made by a Non-Electing U.S. Holder after the beginning of the holding period for the PFIC stock, then the Section 1291 rules will apply to certain dispositions of, distributions on and other amounts taxable with respect to Registrant common shares. A U.S. Holder who makes the mark-to-market election will include in income for each taxable year for which the election is in effect an amount equal to the excess, if any, of the fair market value of the common shares of the Registrant as of the close of such tax year over such U.S. Holder’s adjusted basis in such common shares. In addition, the U.S. Holder is allowed a deduction for the lesser of (i) the excess, if any, of such U.S. Holder’s adjusted tax basis in the common shares over the fair market value of such shares as of the close of the tax year, or (ii) the excess, if any, of (A) the mark-to-market gains for the common shares in the Registrant included by such U.S. Holder for prior tax years, including any amount which would have been treated as a mark-to-market gain for any prior tax year but for the Section 1291 rules discussed above with respect to Non-Electing U.S. Holders, over (B) the mark-to-market losses for shares that were allowed as deductions for prior tax years. A U.S. Holder’s adjusted tax basis in the common shares of the Registrant will be adjusted to reflect the amount included in or deducted from income as a result of a mark-to-market election. A mark-to-market election applies to the taxable year in which the election is made and to each subsequent taxable year, unless the common shares cease to be marketable, as specifically defined, or the IRS consents to revocation of the election. Because the IRS has not established procedures for making a mark-to-market election, U.S. Holders should consult their tax advisors regarding the manner of making such an election. No view is expressed regarding whether common shares of the Registrant are marketable for these purposes or whether the election will be available.

Under Section 1291(f) of the Code, the IRS has issued Proposed Treasury Regulations that, subject to certain exceptions, would treat as taxable certain transfers of PFIC stock by Non-Electing U.S. Holders that are generally not otherwise taxed, such as gifts, exchanges pursuant to corporate reorganizations, and transfers at death. Generally, in such cases the basis of Registrant common shares in the hands of the transferee and the basis of any property received in the exchange for those common shares would be increased by the amount of gain recognized. Under the Proposed Treasury Regulations, an Electing U.S. Holder would not be taxed on certain transfers of PFIC stock, such as gifts, exchanges pursuant to corporate reorganizations, and transfers at death. The transferee’s basis in this case will depend on the manner of the transfer. In the case of a transfer by an Electing U.S. Holder upon death, for example, the transferee’s basis is generally equal to the fair market value of the Electing U.S. Holder’s common shares as of the date of death under Section 1014 of the Code. The specific tax effect to the U.S. Holder and the

transferee may vary based on the manner in which the common shares are transferred. Each U.S. Holder of the Registrant is urged to consult a tax advisor with respect to how the PFIC rules affect his or its tax situation.

Whether or not a U.S. Holder makes a timely QEF election with respect to common shares of the Registrant, certain adverse rules may apply in the event that both the Registrant and any foreign corporation in which the Registrant directly or indirectly holds shares is a PFIC (a “lower-tier PFIC”). Pursuant to certain Proposed Treasury Regulations, a U.S. Holder would be treated as owning his or its proportionate amount of any lower-tier PFIC shares, and generally would be subject to the PFIC rules with respect to such indirectly-held PFIC shares unless such U.S. Holder makes a timely QEF election with respect thereto. The Registrant intends to make the necessary information available to U.S. Holders to permit them to make (and maintain) QEF elections with respect to each subsidiary of the Registrant that is a PFIC.

Under the Proposed Treasury Regulations, a U.S. Holder who does not make a timely QEF election with respect to a lower-tier PFIC generally would be subject to tax (and the PFIC interest charge) on (i) any excess distribution deemed to have been received with respect to his or its lower-tier PFIC shares and (ii) any gain deemed to arise from a so-called “indirect disposition” of such shares. For this purpose, an indirect disposition of lower-tier PFIC shares would generally include (i) a disposition by the Registrant (or an intermediate entity) of lower-tier PFIC shares, and (ii) any other transaction resulting in a diminution of the U.S. Holder’s proportionate ownership of the lower-tier PFIC, including an issuance of additional common shares by the Registrant (or an intermediate entity). Accordingly, each prospective U.S. Holder should be aware that he or it could be subject to tax even if such U.S. Holder receives no distributions from the Registrant and does not dispose of its common shares. **The Registrant strongly urges each prospective U.S. Holder to consult a tax advisor with respect to the adverse rules applicable, under the Proposed Treasury Regulations, to U.S. Holders of lower-tier PFIC shares.**

Certain special, generally adverse, rules will apply with respect to Registrant common shares while the Registrant is a PFIC unless the U.S. Holder makes a timely QEF election. For example under Section 1298(b)(6) of the Code, a U.S. Holder who uses PFIC stock as security for a loan (including a margin loan) will, except as may be provided in regulations, be treated as having made a taxable disposition of such shares.

### ***Controlled Foreign Corporation***

If more than 50% of the total combined voting power of all classes of shares entitled to vote or the total value of the shares of the Registrant is owned, actually or constructively, by citizens or residents of the United States, United States domestic partnerships or corporation, or estates or trusts other than foreign estates or trusts (as defined by the Internal Revenue Code Section 7701(a)(31)), each of which own, actually or constructively, 10% or more of the total combined voting power of all classes of shares entitled to vote of the Registrant (“United States Shareholder”), the Registrant could be treated as a controlled foreign corporation (“CFC”) under Subpart F of the Code. This classification would effect many complex results, one of which is the inclusion of certain income of a CFC which is subject to current U.S. tax. The United States generally taxes United States Shareholders of a CFC currently on their pro rata shares of the Subpart F income of the CFC. Such United States Shareholders are generally treated as having received a current distribution out of the CFC’s Subpart F income and are also subject to current U.S. tax on their pro rata shares of increases in the CFC’s earnings invested in U.S. property. The foreign tax credit described above may reduce the U.S. tax on these amounts. In addition, under Section 1248 of the Code, gain from the sale or exchange of shares by a U.S. Holder of common shares of the Registrant which is or was a United States Shareholder at any time during the five-year period ending on the date of the sale or exchange is treated as ordinary income to the extent of earnings and profits of the Registrant attributable to the shares sold or exchanged. If a foreign corporation is both a PFIC and a CFC, the foreign corporation generally will not be treated as a PFIC with respect to United States Shareholders of the CFC. This rule generally will be effective for taxable years of United States Shareholders beginning after 1997 and for taxable years of foreign corporations ending with or within such taxable years of United States Shareholders. Special rules apply to United States Shareholders who are subject to the special taxation rules under Section 1291 discussed above with respect to a PFIC. Because of the complexity of Subpart F, a more detailed review of these rules is outside of the scope of this discussion. The Registrant does not believe that it currently qualifies as a CFC. However, there can be no assurance that the Registrant will not be considered a CFC for the current or any future taxable year.

### **F. Dividends and Paying Agents**

Not applicable.

**G. Statement by Experts**

Not applicable.

**H. Documents on Display**

Exhibits attached to this Form 20-F are also available for viewing at the offices of the Registrant, 1000 Austin Avenue, Coquitlam, British Columbia V3K 3P1. Copies of the Registrant's financial statements and other continuous disclosure documents required under the British Columbia *Securities Act* are available for viewing at SEDAR.com.

**I. Subsidiary Information**

Not applicable.

**ITEM 11 QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

**(a) Transaction Risk and currency Risk Management**

The Registrant's operations do not employ financial instruments or derivatives which are market sensitive and the Registrant does not have financial market risks.

**(b) Exchange Rate Sensitivity**

The Registrant's operations are in Canada and hence it is not significantly affected by exchange rate risk. Its liabilities are all denominated in Canadian dollars.

**(c) Interest Rate Risk and Equity Price Risk**

The Registrant is equity financed. The only debt subject to interest rate change risks is the Mortgage on the site office building and core warehouse at Logan Lake, British Columbia. The mortgage is with the vendor (\$94,180 @ 7.5%) at May 1, 2006.

**(d) Commodity Price Risk**

While the value of the Registrant's resource properties can always be said to relate to the price of gold and copper and the outlook for same, the Registrant does not have any operating mines nor economic ore and hence does not have any hedging or other commodity based risks respecting its operations.

**ITEM 12 DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES**

**A. Debt Securities**

Not applicable.

**B. Warrants and Rights**

Not applicable. (Registrant warrants are non-transferable and no market exists for them. The Registrant has issued no rights.)

**C. Other Securities**

Not applicable.

**D. American Depositary Shares**

Not applicable.



## **PART II**

### **ITEM 13        DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES**

Not applicable.

### **ITEM 14        MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS**

Not applicable.

### **ITEM 15        CONTROLS AND PROCEDURES**

As required by Rule 13a-15 under the Securities Exchange Act of 1934 (the “Exchange Act”), the Registrant carried out an evaluation of the effectiveness of the design and operation of its disclosure controls and procedures as of December 31, 2005, being the date of the Registrant’s most recently completed fiscal year. This evaluation was carried out under the supervision and with the participation of the Registrant’s Chief Executive Officer and Chief Financial Officer. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Registrant’s disclosure controls and procedures are effective in timely alerting management to material information relating to the Registrant required to be included in its periodic SEC filings.

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in the Registrant’s reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to management, including the Registrant’s Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

During the Registrant’s most recently completed fiscal year ended December 31, 2005, there were no changes in the Registrant’s internal control over financial reporting that have materially affected, or are reasonably likely to affect, the Registrant’s internal control over financial reporting.

The term “internal control over financial reporting” is defined as a process designed by, or under the supervision of, the Registrant’s principal executive and principal financial officers, or persons performing similar functions, and effected by the Registrant’s board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- (1)      Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Registrant;
- (2)      Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Registrant are being made only in accordance with authorizations of management and directors of the Registrant; and
- (3)      Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Registrant’s assets that could have a material effect on the financial statements.”

### **ITEM 16        [RESERVED]**

### **ITEM 16A – AUDIT COMMITTEE FINANCIAL EXPERT.**

At the Registrant’s Annual General Meeting held June 12, 2006, the following directors were appointed to the audit committee, Ed Leung CGA, Charles Mitchell LLB, and Corby Anderson Phd, CEng FIChemE. Edward Leung is a Certified General Accountant and Charles Mitchell is a Corporate Lawyer. Corby Anderson is a professionally registered engineer with 27 years of experience in process, chemical and metallurgical engineering, engineering services, research, consulting and industrial plant operations. In the event of any contentious matters, the company would seek independent advice from a qualified financial expert.

The Registrant's board of directors includes Mr. Donald Willoughby FCA, a chartered accountant in public practice. Mr. Willoughby reviews all quarterly reports and the annual financial statements before submitting them to the audit committee for approval.

#### **ITEM 16B – CODE OF ETHICS**

The Registrant has adopted a Charter outlining its code of ethics.

#### **ITEM 16C – PRINCIPAL ACCOUNTANT FEES AND SERVICES**

The audit fees for the 2005 were \$11,000 (2004 - \$ 11,000)

#### **ITEM 16D – EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES**

Not applicable

### **PART III**

#### **ITEM 17 FINANCIAL STATEMENTS THE FOLLOWING ATTACHED FINANCIAL STATEMENTS ARE INCORPORATED HEREIN:**

- (1) Auditors' Reports on the balance sheets as at December 31, 2005, and 2004, and the statements of operations and deficit, and changes in cash flows for each of the three years ended December 31, 2005, 2004 and 2003;
- (2) Balance sheets as at December 31, 2005, and 2004;
- (3) Statements of operations and deficit for each of the three years ended December 31, 2005, 2004 and 2003;
- (4) Statements of changes in cash flows for the periods referred to in (3) above;
- (5) Statements of mineral property interests for the periods referred to in (2) above;
- (6) Notes to the financial statements;

#### **ITEM 18 FINANCIAL STATEMENTS**

NOT APPLICABLE. See Item 17.

#### **ITEM 19 EXHIBITS**

Key to the following documents:

1. Articles of Incorporation and Registered Incorporation Memorandum of Getty.
2. Other Instruments defining the rights of the holders of equity or debt securities.
3.
  - A. Agreements to which Directors, Officers, promoters voting trustees or security holders or their affiliates named in the Registration Statement are parties other than contracts involving only the purchase or sale of current assets having a determinable market price.
  - B. Material contracts not made in the ordinary course of business or which are to be performed in whole or in part at or after the filing of the Registration Statement or which was entered into not more than two years before filing.

# **D E V I S S E R   G R A Y**

## **CHARTERED ACCOUNTANTS**

401 - 905 West Pender Street  
Vancouver, BC Canada  
V6C 1L6

Tel: (604) 687-5447  
Fax: (604) 687-6737

### **AUDITORS' REPORT**

#### **AUDITORS' REPORT**

To the Shareholders of Getty Copper Inc.

We have audited the consolidated balance sheets of Getty Copper Inc. as at December 31, 2005 and 2004 and the consolidated statements of operations and deficit and cash flows for each of the years in the three year period ended December 31, 2005. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards ("GAAS") in Canada and the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"). Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2005 and 2004 and the results of its operations and cash flows for the years then ended in conformity with Canadian generally accepted accounting principles.

The financial statements for the year ended December 31, 2003 were audited by other auditors who expressed opinions without reservation on those financial statements in their report to the shareholders dated February 12, 2004.

*"DeVissier Gray"*

**CHARTERED ACCOUNTANTS**

Vancouver, British Columbia  
April 27, 2006

GETTY COPPER INC.  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
DECEMBER 31, 2005  
*(stated in Canadian dollars)*

Contact: 1000 Austin Avenue  
Coquitlam, British Columbia  
Canada V3K 3P1  
Tel: 604-931-3231

GETTY COPPER INC.  
BALANCE SHEETS  
(stated in Canadian dollars)

<u>ASSETS</u>	As at December 31,	
	2005	2004
Current		
Cash and cash equivalents	\$ 156,074	\$ 1,529,401
Goods and services tax recoverable	34,801	25,933
Prepaid expenses	25,699	12,698
	216,574	1,568,032
Mineral rights (note 3)	3,508,239	2,660,434
Property, building and equipment (note 4)	162,539	173,669
	<u>\$ 3,887,352</u>	<u>\$ 4,402,135</u>
 <u>LIABILITIES</u>		
Current		
Accounts payable	\$ 534,758	\$ 613,384
Loan payable	—	—
Current portion of mortgage payable	2,127	1,976
	536,885	615,360
Mortgage payable (note 5)	92,921	95,048
	<u>629,806</u>	<u>710,408</u>
 <u>SHAREHOLDERS' EQUITY</u>		
Share capital (note 7)	16,433,593	16,587,659
Contributed surplus (note 7)	860,726	855,035
Deficit	(14,036,773)	(13,750,967)
Commitments and Contingencies (Note 8)		
Subsequent Events (Note 11)	3,257,546	3,691,727
	<u>\$ 3,887,352</u>	<u>\$ 4,402,135</u>

Approved by the Directors  
"Donald R. Willoughby", Director, CFO

"John M. Parks", Corporate Secretary

See accompanying notes to financial statements.

GETTY COPPER INC.

STATEMENTS OF OPERATIONS AND DEFICIT

(stated in Canadian dollars)

	Year Ending December 31,		
	2005	2004	2003
Revenue			
Rent	\$ 748	\$ 2,243	\$ 2,242
Expenses			
Amortization	3,291	4,496	4,941
Bank charges & interest	7,166	206,594	17,937
Filing fees	9,729	25,299	21,674
Insurance	1,675	1,675	1,577
Management fees	30,000	30,000	30,000
Marketing & promotion	3,047	14,906	10,500
Office & miscellaneous	18,164	15,790	13,622
Professional fees	496,043	388,187	87,174
Property tax	4,448	4,151	4,251
Rent	6,000	29,344	36,424
Stock option compensation	5,691	73,069	14,000
Telephone	7,426	8,528	7,805
Transfer fees	6,930	9,783	10,870
Travel	12,891	9,952	3,678
Wages & benefits	29,969	28,677	47,145
Interest	(10,528)	(28,144)	(1,080)
Development fees (Note 8)	—	157,680	—
Future income tax recovery	(347,710)	(331,160)	(1,111)
Provision for impairment of exploration costs			
Related to mineral rights	—	—	96,066
Loss on disposal of equipment	2,322	—	—
	<u>286,554</u>	<u>648,827</u>	<u>405,473</u>
Net loss	(285,806)	(646,584)	(403,231)
Deficit, beginning	<u>(13,750,967)</u>	<u>(13,104,383)</u>	<u>(12,701,152)</u>
Deficit, ending	<u>\$ (14,036,773)</u>	<u>\$ (13,750,967)</u>	<u>\$ (13,104,383)</u>
Loss per share	<u>\$ (0.01)</u>	<u>\$ (0.02)</u>	<u>\$ (0.02)</u>
Weighted-average number of common shares outstanding	<u>33,592,205</u>	<u>28,042,796</u>	<u>23,284,342</u>

See accompanying notes to financial statements.

GETTY COPPER INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2005  
*(stated in Canadian dollars)*

	Year Ending December 31,		
	2005	2004	2003
Cash flows used in operating activities			
Net loss for the period	\$ (285,806)	\$ (646,584)	\$ (403,231)
Add: Items not involving cash			
Amortization – administration	3,291	4,496	4,941
Provision for impairment of exploration costs related to mineral rights	—	—	94,955
Future income tax recovery	(347,710)	(331,160)	—
Stock option compensation expense	5,691	73,069	14,000
Loss on disposal of equipment	2,322	—	—
Net change in non-cash working capital balances			
Decrease (increase) in goods and services tax recoverable	(8,868)	(19,644)	21,589
Decrease (increase) in prepaid expenses	(13,001)	(7,000)	1,903
Increase (decrease) in accounts payable	(108,907)	155,812	80,536
	<u>(752,988)</u>	<u>(771,011)</u>	<u>(185,307)</u>
Cash flows from financing activities			
Loan from Freeway Properties Inc.	—	(66,621)	—
Mortgage principal repayments	(1,976)	(1,836)	(1,705)
Warrants exercised	-	163,000	365,000
Private placements, net of issue costs	193,644	1,093,500	1,877,525
	<u>191,668</u>	<u>1,188,043</u>	<u>2,240,820</u>
Cash flows used in investing activities			
Acquisition & disposal of equipment	(1,720)	(5)	(1,900)
Exploration costs	(810,287)	(971,548)	(85,246)
Mineral rights	-	-	(8,963)
	<u>(812,007)</u>	<u>(971,553)</u>	<u>(96,109)</u>
Increase (decrease) in cash	(1,373,327)	(554,521)	1,959,404
Cash and short-term investments, Beginning of year	<u>1,529,401</u>	<u>2,083,922</u>	<u>124,518</u>
Cash and short-term investments, End of year	<u>\$ 156,074</u>	<u>\$ 1,529,401</u>	<u>\$ 2,083,922</u>

**Supplemental disclosure:**

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Cash used in operating activities includes:			
Interest paid	\$ 7,100	\$ 150,474	\$ 8,586
Interest received	\$ 10,528	\$ 28,144	\$ 1,080

See accompanying notes to financial statements.

GETTY COPPER INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2005  
*(stated in Canadian dollars)*

**1. General information and continuing operations**

The Company has not yet determined whether its mineral rights contain ore reserves that are economically recoverable. In addition, the Company is dependent upon external sources of financing in order to fund the exploration of its mineral rights. The recoverability of amounts shown for mineral rights and the ability of the Company to meet its obligations is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the exploration and development of the mineral rights and future profitable production or proceeds from the disposition thereof.

**2. Significant accounting policies**

These financial statements are prepared in accordance with accounting principles generally accepted in Canada applicable to a going-concern. The differences between those principles and those that would be applied under U.S. generally accepted accounting principles (U.S. GAAP) are disclosed in note 10. The financial statements do not give effect to adjustments that would be necessary should the Company be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business.

a) Mineral rights

Costs of acquisition and exploration expenditures are allocated to specific groups of mineral rights as work is performed on or for the benefit of those rights and are capitalized until such time as the extent of mineralization has been determined and mineral rights are either developed, sold, or abandoned. If there is an indication of impairment the mineral rights are written-down to the estimated net recoverable amount. The Company does not accrue the estimated future cost of maintaining, in good standing, its mineral rights.

Capitalized costs are amortized over the useful life of the rights upon commencement of commercial production, or written-off if the rights are sold or abandoned.

b) Administrative costs

Administrative costs are expensed as incurred.

c) Property, building and equipment

Property, building and equipment are recorded at cost. Amortization is provided on the declining balance basis at the following annual rates:

Automotive equipment	30%
Building	4%
Computer equipment	45%
Computer software	100%
Office equipment	20%
Portable buildings	30%

d) Stock option plan

The Company records compensation expense when stock or stock options are issued to employees in accordance with any vesting terms.



GETTY COPPER INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2005  
(stated in Canadian dollars)

**2. Significant accounting policies - continued**

e) Future income taxes

The Company follows the liability method of accounting for income taxes. Under this method, current income taxes are recognized for the estimated income taxes payable for the current year. Future income tax assets and liabilities are recognized for temporary differences between tax and accounting bases of assets and liabilities and for unused tax losses. Future income tax assets are recorded in the financial statements if their realization is considered to be more likely than not.

f) Exploration tax credits

Exploration tax credits are recorded as a reduction in exploration costs as those costs are incurred.

g) Flow-through financing

Under the Canadian *Income Tax Act* a company may issue securities referred to as flow-through shares, whereby the investor may claim the tax deductions arising from the qualifying expenditure of the proceeds by the company. When resource expenditures are renounced to the investors and the Company has reasonable assurance that the expenditures will be completed, future income tax liabilities are recognized (renounced expenditures multiplied by the effective corporate tax rate), thereby reducing share capital. Previously unrecognized tax assets may then offset or eliminate the liability recorded.

h) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Specific areas involving management estimates include the variables used to derive stock-based compensation, the valuation of mineral rights and the determination of useful lives of property, building and equipment for purposes of calculating amortization.

i) Loss per share

Loss per share has been calculated using the weighted-average number of common shares outstanding during each fiscal year. Diluted loss per share has not been calculated as it is anti-dilutive when the numerator used in the calculation is a net loss. For purposes of the calculation of the weighted-average number of common shares outstanding, share consolidations are considered to have occurred on the first day of the earliest fiscal year presented.

j) Financial instruments

The Company's financial instruments consist of cash and short-term investments, goods and services tax recoverable, accounts payable, and mortgage payable. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

k) Cash equivalents

Cash and cash equivalents consist of temporary investments in commercial paper and money market deposits that are highly liquid and readily convertible to known amounts of cash.

GETTY COPPER INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2005  
*(stated in Canadian dollars)*

**3. Mineral rights**

The Getty mineral rights are contiguous and are located within the Highland Valley, British Columbia mining district covering an area of approximately 200 square kilometres. Property, building and equipment amortization included in exploration costs during the year ending December 30, 2005 amounted to \$7,758 (2004 - \$8,415).

As at December 31, 2005, the Company's historical deferred costs and the current carrying aggregate amount are derived as follows:

	Getty Northwest	Getty Central	Getty North	Getty South 50% interest	Getty Southwest	Total Exploration & Development
Assay	\$ 35,746	\$ 1,143	\$ 506,806	\$ 66,109	\$ 13,971	\$ 623,775
Drilling	13,770	625	4,181,817	453,304	65,810	4,715,326
Environmental	173,676	1,282	54,290	4,059	21,149	254,456
Feasibility study	—	—	161,709	5,000	—	166,709
Geology	791,243	37,303	1,751,793	225,474	157,304	2,963,117
Metallurgy	525	—	693,664	—	—	694,189
Other	730,044	16,436	909,469	139,443	129,648	1,925,040
Total exploration & development costs	\$1,745,004	\$ 56,789	\$8,259,548	\$ 893,389	\$ 387,882	\$11,342,612
Mineral rights acquisition costs	33,210	111,846	352,398	1,069,134	113,883	1,680,470
	<u>\$1,778,214</u>	<u>\$168,634</u>	<u>\$8,611,946</u>	<u>\$1,962,523</u>	<u>\$ 501,765</u>	<u>\$13,023,082</u>
Less: Provision for impairment of deferred costs						<u>\$9,514,843</u>
						<u>\$3,508,239</u>

As at December 31, 2004, the Company's historical deferred costs and the current aggregate carrying amount are derived as follows:

	Getty Northwest	Getty Central	Getty North	Getty South 50% interest	Getty Southwest	Total Exploration & Development
Assay	\$ 35,746	\$ 1,143	441,565	\$ 47,809	\$ 13,971	\$ 540,234
Drilling	13,770	625	4,060,791	453,304	65,810	4,594,300
Environmental	173,676	1,282	54,290	4,059	21,149	254,456
Feasibility study	—	—	161,709	5,000	—	166,709
Geology	791,243	37,303	1,619,115	161,280	157,304	2,766,245
Metallurgy	525	—	317,085	—	—	317,610
Other	721,930	16,332	855,431	132,905	128,655	1,855,253
Total Exploration & development costs	\$1,736,890	\$ 56,685	\$7,509,986	\$ 804,357	\$386,889	\$10,494,807
Mineral rights, acquisition costs	33,210	111,846	352,397	1,069,134	113,883	\$ 1,680,470
	<u>\$1,770,100</u>	<u>\$168,531</u>	<u>\$7,862,383</u>	<u>\$1,873,491</u>	<u>\$500,772</u>	<u>\$12,175,277</u>
Less: Provision for impairment of deferred costs						<u>(9,514,843)</u>
						<u>\$2,660,434</u>

GETTY COPPER INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2005  
*(stated in Canadian dollars)*

**3. Mineral rights - continued**

The Company originally entered into an agreement to acquire a 50% interest in the Getty Central, Getty South and Getty Southwest mineral rights from Robak Industries Ltd. ("Robak"), a private company controlled by the Company's president, under certain terms which were not met. On November 8, 2002 the Company and Robak terminated the original agreement and entered into an agreement for the Company to acquire a 100% interest in the Getty Central and Getty Southwest and a 50% interest in the Getty South mineral rights from Robak in exchange for 6,000,000 common shares of the Company at a deemed value of \$1,200,000, the Company agreeing to pay 100% of the costs to place the Getty South mineral rights into production, and a 1-1/2% net smelter royalty in favour of Robak.

In 2004, the Board of Directors considered acquiring the remaining 50% of Getty South from Robak. The board commissioned a valuation of the Robak interest from the same party that carried out the 2002 valuation. The valuator presented information about his 2002 report that caused the board to re-examine the 2002 transaction. An independent committee comprised of all directors except the Company's president has initiated a thorough review of the historical geological data for the Getty South Property. To date the board has received nothing that would suggest that the Getty South acquisition should be rescinded.

The Company is pursuing approaches to further develop its mineral rights. Although it is uncertain whether the Company will determine that it has economically recoverable reserves and whether it will be able to obtain the necessary financing to complete the exploration and development of the mineral rights, the Company believes that it may be able to economically develop the mineral rights. However, Canadian generally accepted accounting principles require that exploration costs related to mineral rights be written-down for impairment unless there is persuasive evidence that impairment has not occurred. Accordingly, at December 31, 2003 the Company had recorded provisions for impairment of exploration costs in the amount of \$9,500,933 and of rights acquisition costs of \$13,910. With the flow through financing obtained in December 2003, funds were available to proceed with the exploration work on the Getty North rights. Such costs will be deferred from January 2004 until such time as the Company determines if it has economically recoverable reserves, or until exploration ceases and the mineral rights are abandoned.

The Getty mineral rights are subject to a 1-1/2% net smelter return royalty in favour of Robak,

**4. Property, building and equipment**

	December 31, 2005		
	Cost	Accumulated Amortization	Net
Automotive equipment	\$ 29,318	\$ 28,217	\$ 1,101
Computer equipment	95,859	92,832	3,027
Computer software	74,359	74,359	--
Office equipment	53,819	43,851	9,968
Portable buildings	12,112	11,821	291
Building	178,124	52,294	125,830
Land	22,322	--	22,322
	<u>\$ 465,913</u>	<u>\$ 303,374</u>	<u>\$ 162,539</u>

GETTY COPPER INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2005  
*(stated in Canadian dollars)*

**4. Property, building and equipment - continued**

	December 31, 2004		
	Cost	Accumulated Amortization	Net
Automotive equipment	\$ 29,318	\$ 27,745	\$ 1,573
Computer equipment	95,859	90,355	5,504
Computer software	74,359	74,359	--
Office equipment	72,062	59,280	12,782
Portable buildings	12,112	11,697	415
Building	178,124	47,051	131,073
Land	22,322	--	22,322
	<u>\$ 484,156</u>	<u>\$ 310,487</u>	<u>\$ 173,669</u>

**5. Mortgage payable**

The mortgage payable is secured by a first mortgage on land and building and requires monthly payments of \$756 including interest at 7.5% per annum, and is repayable on October 1, 2007.

Principal repayments required are as follows:

	Dec. 31, 2005
2006	2,127
2007	92,921
	<u>\$ 95,048</u>

**6. Income taxes**

Significant components of the Company's future income tax assets are as follows:

	Dec. 31, 2005	Dec. 31, 2004
Tax value of mineral rights in excess of book value	\$ 1,782,000	\$ 1,760,000
Tax value of capital assets in excess of book value	127,000	122,000
	<u>1,909,000</u>	<u>1,882,000</u>
Valuation allowance	<u>(1,909,000)</u>	<u>(1,882,000)</u>
	---	---
Net operating loss carryforwards	826,000	812,000
Valuation allowance	<u>(826,000)</u>	<u>(812,000)</u>
	---	---
Net future income tax assets	<u>\$ --</u>	<u>\$ ---</u>

GETTY COPPER INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2005  
*(stated in Canadian dollars)*

**6. Income taxes – continued**

The Company has determined that realization is not more likely than not and therefore a valuation allowance against all future income tax assets has been recorded.

A reconciliation between the Company's statutory and effective tax rates is as follows:

	2005	2004
Statutory rate	37%	37%
Tax rate change	(2)	(2)
Unrecognized benefit of current year's losses	(35)	(35)
Effective rate of tax recovery	---	---

At December 31, 2005, the Company has approximately \$2,321,000 of loss carryforwards which may be available to reduce taxable income in future years. These losses expire as follows:

2006	236,000
2007	195,000
2008	188,000
2009	228,000
2010	289,000
2011	720,000
2012	465,000
	<u>\$ 2,321,000</u>

**7. Share capital**

a) Authorized: Unlimited number of common shares

b) Issued:	Shares	Amount
Balance at December 31, 2003	27,593,657	\$ 15,662,319
Shares issued for cash	4,400,000	1,100,000
Warrants exercised	750,000	165,000
Share issue costs		(339,660)
Balance at December 31, 2004	32,743,657	\$ 16,587,659
Shares issued for cash	1,335,000	200,250
Share issue costs	-	(354,316)
Balance, December 31, 2005	<u>34,078,657</u>	<u>\$ 16,433,593</u>

GETTY COPPER INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2005  
*(stated in Canadian dollars)*

**7. Share capital - continued**

On January 16, 2006, the Company issued 5,000,000 shares at \$0.10 per share through a private placement, raising \$500,000. Each unit is comprised of one common share of the Company and a one half common share purchase warrant, with each whole warrant entitling the holder to purchase one additional common share of the Company for a period of one year at a price of \$0.125 in the first six months and \$0.15 in the second six months.

On April 15, 2005, the Company issued 1,900,000 incentive stock options exercisable at \$0.15 during the period from April 15, 2005 to April 14, 2006; \$0.20 during the period from April 15, 2006 to April 14, 2007 and \$0.25 during the period from April 15, 2007 to April 14, 2008.

The Company reset the exercise price and reduced the term of 850,000 outstanding incentive stock options to \$0.15 during the period from April 15, 2005 to April 14, 2006; \$0.20 during the period from April 15, 2006 to April 14, 2007 and \$0.25 during the period from April 15, 2007 to April 14, 2008. Regulatory approval was received May 9, 2005. Disinterested shareholder approval was received at the Company's annual general meeting which was held on June 27, 2005.

On May 12, 2005, the company completed a private placement of 1,335,000 units. Each unit consisted of 1 share valued at \$0.15 and a full warrant to purchase a further share of common stock for a period of 2 years at a price of \$0.20 in the first year and \$0.25 in the second year.

On December 7, 2004, the company completed a private placement for gross proceeds of \$1,100,000. Each unit consisted of one share valued at \$0.25 and a full warrant to purchase a further share of common stock for a period of two years at a price of \$0.30 in the first year and \$0.35 in the second year.

Contributed Surplus in the amount of \$5,691 (2004-\$73,068) was recorded as a result of the Company recognizing stock option compensation expense.

The Company recorded \$347,710 (2004-\$331,160) in share issue costs as the tax benefit given up due to the recognition of previously unrecorded tax assets to offset the future tax liability recorded on the issuance of flow-through shares.

On December 31, 2003, the Company closed a private placement of 3,100,000 flow-through units at a price of \$0.65 per unit. Each unit comprised one flow-through common share and one-half of one share purchase warrant. Each whole warrant was exercisable to purchase an additional flow-through share at a price of \$0.75 per share until December 30, 2005. In connection with this private placement, the Company issued 155,000 agent's share purchase warrants exercisable at a price of \$0.75 for a two year period. The warrants connected to this private placement were not exercised and expired on December 30, 2005.

Warrants outstanding at December 31, 2005:

Number of Warrants	Exercise Price	Expiry Date
4,400,000	0.25	December 7, 2006
1,335,000	0.20 / \$0.25	May 12, 2006/07
5,735,000		

GETTY COPPER INC.  
NOTES TO FINANCIAL STATEMENTS  
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**7. Share capital continued...**

c) Stock options

Stock option activity for the year ending December 31, 2005:

	Number of Options	Weighted- Average Exercise Price	Expiry Date Range
Options outstanding at December 31, 2004	2,050,000	0.15*	November 14, 2008
Options granted	2,100,000	0.15*	April 14, 2008
Cancelled	<u>(1,100,000)</u>	0.61	November 14, 2008
Options outstanding at December 31, 2005	<u>3,050,000</u>	0.15*	November 14, 2008

- \* The options issued are exercisable at a price of \$0.15 per share until April 14, 2006, from April 15, 2006 to April 14, 2007, these options are exercisable at a price of \$0.20 per share. From April 15, 2007 to and including April 14, 2008, these options are exercisable at a price of \$0.25 per share.

During 2003, the Company granted 1,950,000 common share incentive options to directors and employees exercisable at \$0.61 per share to November 14, 2008. The options vest over the 18 month period following the date of grant. Based upon the Black-Scholes option valuation model, a risk-free market rate of 3% and a volatility of 7%, the estimated compensation cost related to the options granted is approximately \$100,000 of which \$5,691 (2004 – \$63,830) was recognized during the year.

Option pricing models require the input of highly subjective assumptions, particularly as to the expected price volatility of the stock and expected life of the option. Changes in these assumptions can materially affect the fair value estimate and therefore it is management's view that the existing models do not necessarily provide a single reliable measure of the fair value of the Company's stock option grants and warrant issuances.

**8. Commitments and contingencies**

- The Company is committed to make aggregate monthly payments of \$13,000 (2004 - \$3,000) to related parties for management fees, rent and legal fees.
- In the first quarter of 2005, former directors Robert Gardner and Vittorio Preto filed a Third Party action against the Company claiming an indemnity in respect of all costs, charges and expenses reasonably incurred by them in defence of a lawsuit brought November 24, 2004 against them by Robak. The Company filed a Defence to the claim insisting that Gardner and Preto are not entitled to indemnification, asserting that these directors did not act with a view to the best interests of the Company and otherwise did not discharge the fiduciary and other duties they owed to the Company as directors. The Company considers this claim to be without merit and that any loss to the Company as a result of this claim is underminable at this time.
- The Company may be faced with significant legal fees in the future as a result of events related to the review of the 2002 Mineral Property Interest Sales Agreement.

GETTY COPPER INC.  
NOTES TO FINANCIAL STATEMENTS  
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*(stated in Canadian dollars)*

**8. Commitments and contingencies continued...**

- The Company initiated a lawsuit on November 10, 2005 in the Supreme Court of British Columbia against former directors Robert Gardner and Vittorio Preto for the recovery of \$120,000 USD which the Company claims was inappropriately, without board approval, and contrary to the Company's banking resolution removed from the Company's bank account during 2004. The amount claimed is currently reflected as Development fees in the Company's December 31, 2004 financial statements, and no provision for its future recovery has been recorded.

Refer also to note 11.

**9. Related party transactions**

In addition to transactions described elsewhere in these financial statements, the Company had the following transactions and balances with officers and directors of the Company and companies or professional firms with which officers or directors are associated.

	<u>Dec. 31, 2005</u>	<u>Dec. 31, 2004</u>	<u>Dec. 31, 2003</u>
Exploration costs incurred	\$ Nil	\$ 52,763	9,225
Accounts payable	\$ 28,702	\$ 36,088	199,527
Loan from Freeway Properties Inc.	\$ Nil	\$ NIL	66,621
<u>Expenses:</u>			
Interest	\$ Nil	\$ 8,591	8,591
Management fees	\$ 30,000	\$ 30,000	30,000
Professional fees	\$ 192,241	\$ 75,851	16,766
Rent	\$ 6,000	\$ 6,000	6,000

These transactions are in the normal course of operations and are measured at fair value as determined by management.

**10. United States accounting principles**

The financial statements have been prepared in accordance with generally accepted accounting principles ("GAAP") in Canada which differ from those principles that the Company would have followed had its financial statements been prepared in accordance with GAAP in the United States. Differences which materially affect line items in the financial statements are in respect to:

a) Mineral Rights

Under Canadian GAAP costs of acquisitions and exploration and development expenditures are permitted to be capitalized until such time as the extent of mineralization has been determined and mineral rights are either developed, sold or abandoned. If there is an indication of impairment the mineral rights are written-down to their estimated recoverable amounts. Under US GAAP all exploration and development costs incurred prior to the determination of economic feasibility are expensed currently.

b) Escrowed Shares

Under US GAAP compensation expense is recognized when the shares are released from escrow to the extent that their fair market value exceeds their issuance price. Under Canadian GAAP no transaction is recorded when shares are released from escrow.



GETTY COPPER INC.  
NOTES TO FINANCIAL STATEMENTS  
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**10. United States accounting principles - continued**

Statements of Operations and Deficit	Year Ended December 31,		
	2005	2004	2003
Net loss under Canadian GAAP	\$ (285,806)	\$ (646,584)	\$ (403,231)
Effect of exploration costs	(847,805)	(979,963)	(1,208,963)
Effect of recognizing costs arising on the release of shares from escrow	—	—	(73,125)
Net loss under US GAAP	(1,133,611)	(1,626,547)	(1,685,319)
Deficit, beginning of year under US GAAP	(20,176,333)	(18,549,786)	(16,864,467)
Deficit, end of year under US GAAP	(21,309,944)	\$(20,176,333)	\$ (18,549,786)
Loss per share under US GAAP	\$ 0.034	\$ 0.058	\$ 0.072

**Balance Sheets**

	Canadian GAAP	US Adjustments	US GAAP
<b>December 31, 2005</b>			
Current assets	216,574	—	216,574
Mineral rights	3,508,239	(3,508,239)	—
Property, building and equipment	162,539	—	162,539
	3,887,352	(3,508,239)	379,113
Current liabilities	536,885	—	536,885
Other liabilities	92,921	—	92,921
Share capital	16,433,593	1,774,000	18,207,593
Contributed surplus	860,726	1,990,932	2,851,658
Deficit	(14,036,773)	(7,273,171)	(21,309,944)
	3,887,352	(3,508,239)	379,113

	Canadian GAAP	US Adjustments	US GAAP
<b>December 31, 2004</b>			
Current assets	\$ 1,568,032	\$ —	\$ 1,568,032
Mineral rights	2,660,434	(2,660,434)	—
Property, building and equipment	173,669	—	173,669
	\$ 4,402,135	\$ (2,660,434)	\$ 1,741,701
Current liabilities	\$ 615,360	\$ —	\$ 615,360
Other liabilities	95,048	—	95,048
Share capital	16,587,659	1,774,000	18,361,659
Contributed surplus	855,035	1,990,932	2,845,967
Deficit	(13,750,967)	(6,425,366)	(20,176,333)
	\$ 4,402,135	\$ (2,660,434)	\$ 1,741,701

GETTY COPPER INC.  
NOTES TO FINANCIAL STATEMENTS  
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**10. United States accounting principles - continued**

Statements of Cash Flows	Years Ended December 31		
	2005	2004	2003
Canadian GAAP – Cash used in operating activities	(952,998)	\$ (771,011)	\$ (185,307)
Exploration costs expensed under U.S. GAAP	(810,287)	(971,548)	(94,209)
US GAAP – Cash used in operating activities	(1,763,285)	(1,742,559)	(279,516)
Canadian GAAP – Cash used in investing activities	(812,007)	(971,553)	(96,109)
Exploration costs expensed under U.S. GAAP	810,287	971,548	94,209
US GAAP – Cash used in investing activities	1,720	\$ (5)	\$ (1,900)

**11. Subsequent events**

In addition to items disclosed elsewhere in these notes, the following has occurred during the period subsequent to December 31, 2005:

- The Company initiated a lawsuit in the Supreme Court of British Columbia against the law firm of Blake Cassels & Graydon LLP. The lawsuit claims inter alia, damages for breach of duty owed to the Company. The outcome of this claim is presently undeterminable and the financial statements reflect no provisions in respect to it.

<b>Exhibit Number</b>	<b>Document Description</b>	<b>Page Number</b>
1.1 <sup>†</sup>	Certificate of Incorporation of Getty dated September 23, 1985.	June 1998
1.2 <sup>†</sup>	Certificate of Change of Name dated November 12, 1992.	June 1998
1.3 <sup>†</sup>	Bylaws of Getty dated September 23, 1985.	June 1998
4.4 <sup>†</sup>	Agreement of Purchase and Sale (Getty North) dated June 30, 1992, between Getty, Robak Industries Ltd. and Masco Capital Inc.	June 1998
4.5 <sup>†</sup>	Property Amending Agreement between Getty, Robak Industries Ltd. And Masco Capital Inc. dated September 30, 1992.	June 1998
4.6 <sup>†</sup>	Getty Southwest Mineral Property Transfer Agreement dated November 8, 1995, between Getty and Robak Industries Ltd.	June 1998
4.7 <sup>†</sup>	Amendment to Getty Southwest Mineral Property Transfer Agreement dated August 14, 1996, between Getty and Robak Industries Ltd.	June 1998
4.8 <sup>†</sup>	Getty South Mineral Property Transfer Agreement dated November 8, 1995, between Getty and Robak Industries Ltd.	June 1998
4.9 <sup>†</sup>	Amendment to Getty South Mineral Property Transfer Agreement dated August 14, 1996 between Getty and Robak Industries Ltd.	June 1998
4.10 <sup>†</sup>	Getty Central Mineral Property Transfer Agreement dated November 8, 1995, between Getty and Robak Industries Ltd.	June 1998
4.11 <sup>†</sup>	Amendment to Getty Central Mineral Transfer Agreement dated August 14, 1996 between Getty and Robak Industries Ltd.	June 1998
4.12 <sup>†</sup>	Option Agreement (Transvaal Property) dated October 15, 1996, between Getty and Globe Resources Inc.	June 1998
4.13 <sup>†</sup>	Joint Venture Agreement dated November 8, 1995, between Getty and Robak Industries Ltd.	June 1998
4.14 <sup>†</sup>	Amendment to Joint Venture Agreement dated August 14, 1996, between Getty and Robak Industries Ltd.	June 1998
4.15 <sup>†</sup>	Joint Venture dated October 15, 1996, between Getty and Globe Resources Inc.	June 1998
4.16 <sup>†</sup>	Management Agreement dated July 1, 1995, between Getty and Freeway Properties Inc.	June 1998
4.17 <sup>†</sup>	Incentive Stock Option Agreements dated June 9, 1995, between Getty and various Optionees.	June 1998
4.25 <sup>†</sup>	Escrow Agreement (BC) dated October 29, 1985 between Getty, Getty's shareholders, and Yorkshire Trust Company of Canada.	June 1998
4.26 <sup>†</sup>	Escrow Agreement (BC) dated June 1, 1993 between Getty, Robak Industries Ltd., Masco Capital Inc., and Montreal Trust Company of Canada.	June 1998
4.27 <sup>†</sup>	KHA Resource Modeling Inc. Memo Report on Getty North dated December 18, 1997.	June 1998
4.28 <sup>†</sup>	Consent of KHA Resource Modeling Inc. dated December 17, 1997.	June 1998
4.29 <sup>†</sup>	Bill of Sale Absolute dated April 11, 1998 between Robak Industries Ltd. and Getty.	June 1998
4.30 <sup>†</sup>	Escrow Release	June 1999
4.31 <sup>†</sup>	Mineral Property Interest Sale Agreement November 8, 2002	July 2004
4.32 <sup>†</sup>	Letter from Computershare, Escrow Release August 25, 2003	July 2004

<b>Exhibit Number</b>	<b>Document Description</b>	<b>Page Number</b>
4.33 <sup>†</sup>	Highland Valley Copper – Memorandum of Understanding December 18, 2003	July 2004
4.34 <sup>†</sup>	Flow Through Private Placement Agreement December 2003	July 2004
4.35 <sup>†</sup>	Genco Transvaal Sales Agreement	July 2004
4.36 <sup>†</sup>	June 2004 Private Placement \$300,000	July 2004
12.01 <sup>†</sup>	Certification of Chief Executive Officer	July 2004
12.02 <sup>†</sup>	Certification of Chief Financial Officer	July 2004
13.01 <sup>†</sup>	Certification – Vittorio Preto	July 2004
13.02 <sup>†</sup>	Certification –Donald Willoughby	July 2004
4.37 <sup>†</sup>	Private Placement Subscription Agreement May 2005	August 2005
14.01 <sup>†</sup>	Certification –Jean Jacques Treyvaud	August 2005
14.02 <sup>†</sup>	Certification –Donald Willoughby	August 2005
15.01 <sup>†</sup>	Audit Report – December 31, 2003	December 2005
15.02 <sup>†</sup>	Audit Report – December 31, 2002	December 2005
15.03 <sup>†</sup>	Audited Financial Statements – December 31, 2004	December 2005
16-.01	Audit Report – December 31, 2005	June 2006
16.02	Certification –Jean Jacques Treyvaud	June 2006
16.03	Certification –Donald Willoughby	June 2006
16.04	Private Placement Subscription Agreement January 2006	June 2006

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<sup>†</sup> Previously filed.

## **SIGNATURES**

The Registrant certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

**GETTY COPPER INC.**

Per:

“Jean Jacques Treyvaud ”  
Jean Jacques Treyvaud  
President,

DATED:

**UNIT SUBSCRIPTION AGREEMENT**  
**(for TSX-VE Listed Issuers without an Offering Memorandum)**

**TO:** **GETTY COPPER INC. (the “Issuer”)**  
**1000 Austin Avenue,**  
**Coquitlam, B.C., Canada V3K 3P1**

**RE:** **Purchase of \$ 0.10 Units (each a common share and a half warrant of the Issuer)**

**REFERENCE DATE:** **December 29, 2005**

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**Instructions to complete this Subscription for Units**

1. Enter number of Units purchased, aggregate Subscription Amount, Name, Address and other particulars, then sign below.
2. Complete Registration or Delivery Instructions as necessary and “Other Information to be Completed by Each Investor” (required for TSX Venture Exchange).
3. If you are a **corporate investor or a portfolio manager**, complete TSX Venture Exchange Corporate Placee Registration Form (if you have previously filed this form in connection with another transaction on the TSX Venture Exchange you need NOT complete another one) (Schedule A).
4. If you are a **resident of the Province of British Columbia or Alberta** AND you are an “Accredited Investor” (e.g., high net worth), complete “British Columbia & Alberta Accredited Investor Certificate” (Schedule B-1) or, if you are not an “Accredited Investor”, complete “British Columbia & Alberta Confirmation of Relationship” (Schedule B-2).
5. If you are a **resident of the Province of Ontario**, you must be an “Accredited Investor” as defined under Ontario Securities Commission Rule 45-501, please complete the “Ontario Accredited Investor Certificate” (Schedule C).
6. If you are a **U.S. Person or citizen**, please complete the “United States Accredited Investor Certificate” (Schedule D).
7. Courier completed forms and subscription funds to the Issuer, at the above address. Subscription funds may be remitted by certified cheque or bank draft payable to “**John M. Parks, Barrister & Solicitor, in trust**”. All monetary amounts herein are in Canadian dollars.

\_\_\_\_\_  
**(Name of Investor – please print)**

\_\_\_\_\_  
**(Signature of Investor)**

\_\_\_\_\_  
**(Official Capacity or Title of Signatory, if Investor is not an individual – please print)**

\_\_\_\_\_  
**(Please print name of individual whose signature appears above if different than the name of the name of the Investor printed above.)**

\_\_\_\_\_  
**(Investor’s Address)**

**Number of Units:** \_\_\_\_\_

**Aggregate Subscription Price for Units:**

\_\_\_\_\_  
**Payable to: “John M. Parks, Barrister & Solicitor, in Trust”**

<div>_____</div> <div><b>(Investor's Telephone Number and Fax Number)</b></div> <div>_____</div> <div><b>Investor's E-Mail Address</b></div> <div>_____</div> <div><b>REGISTER the Units as set forth below<sup>(1)</sup></b></div> <div>_____</div> <div><b>Name</b></div> <div>_____</div> <div><b>Account reference, if applicable</b></div> <div>_____</div> <div><b>Address</b></div> <div>_____</div> <div>_____</div> <div>_____</div>
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<div><b>DELIVER the Units as set forth below:</b></div> <div>_____</div> <div><b>Name</b></div> <div>_____</div> <div><b>Account reference, if applicable</b></div> <div>_____</div> <div><b>Contact Name</b></div> <div>_____</div> <div><b>Address</b></div> <div>_____</div> <div>_____</div> <div><b>Telephone Number</b></div> <div>_____</div>
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- (1) Registration must reflect legal ownership in accordance with Investor's disclosure made on the face page and must be in the form required by Investor's broker.

## OTHER INFORMATION TO BE COMPLETED BY EACH INVESTOR

### A. Corporate Placee Registration Form (Schedule A)

The Investor, if not an individual (i.e., under company name), either **[CHECK WHERE APPROPRIATE]**:

\_\_\_\_\_ has previously filed with the Exchange a Form 4C, Corporate Placee Registration Form, and represents and warrants that there has been no change to any of the information in the Corporate Placee Registration Form previously filed with the TSX Venture Exchange (the "TSX Venture") up to the date of this Agreement; or

\_\_\_\_\_ hereby delivers to the Issuer a completed Form 4C, Corporate Placee Registration Form, in the form attached hereto, for filing with the TSX Venture.

### B. Present Ownership of Securities

The Investor either **[CHECK APPROPRIATE ITEM]**:

\_\_\_\_\_ does not own, directly or indirectly, or exercise control or direction over, any common shares of the Issuer or warrants, options or other securities convertible into or exercisable to acquire common shares of the Issuer; or

\_\_\_\_\_ owns directly or indirectly, or exercises control or direction over, \_\_\_\_\_ common shares of the Issuer and warrants, options and convertible securities entitling the Investor to acquire an additional \_\_\_\_\_ common shares in the capital stock of the Issuer (excluding the Units \_\_\_\_\_ subscribed for herein).

**C. Insider Status**

The Investor either [CHECK IF APPROPRIATE]:

\_\_\_\_\_ is **NOT** an “Insider” of the Issuer as defined in the British Columbia *Securities Act*; or

\_\_\_\_\_ **IS** an “Insider” of the Issuer as defined in the British Columbia *Securities Act*.

The British Columbia *Securities Act* defines “**Insider**” as:

- (a) a director or senior officer of the Issuer;
- (b) a director or senior officer of a person that is itself an insider or subsidiary of the issuer;
- (c) a person that has
  - (i) direct or indirect beneficial ownership of
  - (ii) control or direction over, or
  - (iii) a combination of direct or indirect beneficial ownership of and of control or direction over securities of the issuer carrying more than 10% of the voting rights attached to all the issuer’s outstanding voting securities, excluding, for the purpose of the calculation of the percentage held, any securities held by the person as underwriter in the course of a distribution, or
- (d) the issuer itself, if it has purchased, redeemed or otherwise acquired any securities of its own issue, for so long as it continues to hold those securities; or

**D. Member of “Pro Group”**

The Investor either [CHECK IF APPROPRIATE]:

\_\_\_\_\_ is **NOT** a Member of the “Pro Group” as defined in the Rules of the TSX Venture; or

\_\_\_\_\_ **IS** a Member of the “Pro Group” as defined in the Rules of the TSX Venture.

The TSX Venture defines “**Pro Group**” as:

1. Subject to subparagraphs (2), (3) and (4), “Pro Group” shall include, either individually or as a group:
    - (a) the member (i.e. a member of the TSX Venture under its requirements);
    - (b) employees of the member;
    - (c) partners, officers and directors of the member;
    - (d) affiliates of the member; and
    - (e) associates of any parties referred to in subparagraphs (1) through (4).
  2. The TSX Venture may, in its discretion, include a person or party in the Pro Group for the purposes of a particular calculation where the TSX Venture determines that the person is not acting at arm’s length of the member;
  3. The TSX Venture may, in its discretion, exclude a person from the Pro Group for the purposes of a particular calculation where the TSX Venture determines that the person is acting at arm’s length of the member;
  4. The member may deem a person who would otherwise be included in the Pro Group pursuant to subparagraph (1) to be excluded from the Pro Group where the member determines that:
    - (a) the person is an affiliate or associate of the member acting at arm’s length of the member;
    - (b) the associate or affiliate has a separate corporate and reporting structure;
    - (c) there are sufficient controls on information flowing between the member and the associate or affiliate; and
    - (d) the member maintains a list of such excluded persons; or
-



**ACCEPTANCE:** The Issuer hereby accepts the above subscription.

**GETTY COPPER INC.**

Per: \_\_\_\_\_  
Authorized Signatory

Execution Date: \_\_\_\_\_

## **Purchase of Cdn \$0.10**

### **Units Exempt from Prospectus Requirements**

#### **Definitions**

“**Accredited Investor**” means generally a high net worth or high income person, specifically defined as:

an Investor resident in the Province of Alberta or British Columbia who is an accredited investor as defined in Section 1.1 of Multilateral Instrument 45-103 (see Schedule B-1);

an Investor resident in the Province of Ontario who is an accredited investor as defined in Ontario Securities Commission Rule 45-501 (see Schedule C); or

a U.S. Person who is an accredited investor as defined in Rule 501(a) of Regulation D (see Schedule D); or

“**Applicable Securities Laws**” means the securities legislation having application and the rules, policies, notices and orders issued by applicable securities regulatory authorities, including the TSX Venture, having application over this Offering and the Issuer in the Principal Canadian Jurisdictions;

“**Closing**” means a completion of an issue and sale by the Issuer and the purchase by the Investors of the Units pursuant to this Subscription Agreement at 10:00 a.m. on the Closing Date. Closings may occur on one or more dates as the Issuer may determine within the requirements of the TSX Venture;

“**Closing Date**” means the first business day following TSX Venture acceptance of this subscription and others that form part of the Offering. On the Closing Date the Shares and Warrants comprising the Units will be issued and mailed to or made available for pickup by the Investor;

“**Exemptions**” means the exemptions from the registration and prospectus or equivalent requirements under Applicable Securities Laws;

“**Foreign Portfolio Manager**” means a person who carries on business as a “portfolio manager” (within the meaning of that term under Applicable Securities Laws) in an International Jurisdiction and who purchases Units as an agent for fully managed accounts;

“**Family, Close Friends and Business Associates Exemption**” means the exemption from prospectus requirements found in Section 3.1 of MI 45-103;

“**fully managed**” in relation to an account, means that the Investor has the discretion as to the account as contemplated by Applicable Securities Law;

“**International Jurisdiction**” means a country other than Canada or the United States;

“**Investor**” means the person or persons named as Investor on the face page of this Subscription Agreement and if more than one person is so named, means all of them jointly and severally;

“**MI 45-103**” means Multilateral Instrument 45-103 *Capital Raising Exemptions* in the form adopted by the B.C. and Alberta Securities Commissions;

“**material**” means material in relation to the Issuer and any subsidiary considered on a consolidated basis;

“**material change**” means any change in the business, operations, assets, liabilities, ownership or capital of the Issuer and any subsidiary considered on a consolidated basis that would reasonably be expected to have a significant effect on the market price or value of the Issuer’s securities;

“**material fact**” means any fact that significantly affects or would reasonably be expected to have a significant effect on the market price or value of the Issuer’s securities;

“**misrepresentation**” is as defined under Applicable Securities Laws;

“**Offering**” means the sale by the Issuer of up to **5,000,000** Units of the Issuer on the terms set forth in this Agreement;

“**Ontario Accredited Investor Exemption**” means the exemption from registration and prospectus requirements found in Ontario Securities Commission Rule 45-501;

“**Portfolio Manager**” means an adviser who manages the investment portfolio of clients through discretionary authority granted by one or more clients;

“**Principal Canadian Jurisdictions**” means British Columbia, Alberta and Ontario;

“**Public Record**” means information which has been publicly filed at [www.SEDAR.com](http://www.SEDAR.com) by the Issuer under Applicable Securities Laws;

“**Regulation D**” means Regulation D under the U.S. Securities Act;

“**Regulation S**” means Regulation S under the U.S. Securities Act;

“**Schedules**” means the schedules attached hereto comprising:

- A Corporate Placee Registration Form;
- B-1 British Columbia and Alberta – Accredited Investor Certificate;
- B-2 British Columbia and Alberta – Confirmation of Relationship;
- C Ontario – Accredited Investor Certificate; and
- D United States – Accredited Investor Certificate.

“**Securities**” means, collectively, the Shares, Warrants and Warrant Shares;

“**Share**” means a common share without par value in the capital of the Issuer;

“**Subscription Agreement**” means this subscription agreement between the Investor and the Issuer, including all Schedules incorporated by reference as it may be amended or supplemented from time to time;

“**TSX Venture**” means the TSX Venture Exchange;

“**Unit**” is a reference to one Share and one Warrant sold together hereunder;

“**U.S. Person**” means a U.S. Person as defined in Regulation S;

“**U.S. Securities Act**” means the *Securities Act of 1933*, as amended, of the United States of America;

“**Warrant**” means the half Share purchase warrant to be issued by the Issuer as part of each Unit, each of which is exercisable to acquire an additional half Share of the Issuer for a 12-month period after the Closing Date at a price of **\$0.125 during the first 6 months and \$0.15 during the second 6 months.**

“**Warrant Share**” means the Share to be issued upon the exercise of a Warrant.

### **Prospectus Exempt Subscription Commitment**

The Investor hereby subscribes for and agrees to purchase from the Issuer, subject to the terms and conditions set forth herein, that number of Units of the Issuer, and for the price, set out on the face page of this Subscription Agreement. Subject to the terms hereof, this Subscription Agreement will be deemed to have been made and be effective only upon its acceptance by the Issuer.

### **Description of Securities: Share and 24-Month Warrant**

Each Unit consists of that number of Shares and Warrants as set out in section 1.

The Warrants will be governed by the terms and conditions set out in the certificate representing the Warrants (the “**Warrant Certificates**”) which will be delivered to the Investor at Closing. The Warrant Certificate will contain, among other things, provision for the appropriate adjustment in a class, number and exercise price of the Warrant Shares upon the occurrence of certain events, including any subdivision, consolidation or re-classification of the common shares of the Issuer or payments of stock dividends or upon the merger or re-organization of the Issuer.

### **Closing**

The Investor will deliver to the offices of the Issuer aggregate subscription funds and subscription documents completed in accordance with the instructions on the face page of this Agreement and arrange for concurrent wiring or delivery of certified funds. On request by the Issuer, the Investor agrees to complete and deliver any other documents, questionnaire, notices and undertakings as may possibly be required by regulatory authorities, stock exchanges and Applicable Securities Laws to complete the transactions contemplated by this Agreement. Delivery and payment for the Units will be completed by the Issuer at its offices or the offices of its legal counsel on the Closing Date at which time certificates representing the Shares and Warrants will be available against payment funds for delivery to the Investor as the Investor shall instruct. Investor hereby waives receiving any prior notice of Closing.

### **Investor’s Acknowledgements – Regarding Risk, Restrictions, Independent Advice**

The Investor represents and warrants and acknowledges and agrees with (on its own behalf and, if applicable, on behalf of each beneficial purchaser for whom the Investor is contracting hereunder) the Issuer that:

its decision to execute this Subscription Agreement and purchase the Units agreed to be purchased hereunder has not been based upon any oral or written representation as to fact or otherwise made by or on behalf of the Issuer, and its decision is based entirely upon its review of information about the Issuer in the Public Record;

no prospectus has been filed by the Issuer with any securities commission or similar authority in Canada or elsewhere, in connection with the issuance of the Units, and the issuance and the sale of the Units is subject to such sale being exempt from the prospectus and registration requirements under Applicable Securities Laws and accordingly

the Investor is restricted from using certain of the civil remedies available under such legislation,

the Investor may not receive information that might otherwise be required to be provided to it under such legislation, and

the Issuer is relieved from certain obligations that would otherwise apply under such legislation;

the Investor (or others for whom the Investor is contracting hereunder) has been advised to consult its own legal advisors with respect to the merits and risks of an investment in the Units and with respect to applicable resale restrictions and it (or others for whom it is contracting hereunder) is solely responsible (and the Issuer is in no way responsible) for compliance with applicable resale restrictions;

to the knowledge of the Investor, the sale of the Units was not accompanied by any advertisement;

the offer made by this Subscription is irrevocable (subject to the right of the Issuer to terminate this Subscription) and requires acceptance by the Issuer;

this Subscription is not enforceable by the Investor unless it has been accepted by the Issuer and the Investor waives any requirement on the Issuer's behalf to immediately communicate its acceptance for this Subscription to the Investor;

the Securities are speculative investments which involve a substantial degree of risk;

the Investor is sophisticated in financial investments, has had access to and has received all such information concerning the Issuer that the Investor has considered necessary in connection with the Investor's investment decision and the Investor will not receive an offering memorandum or similar disclosure document;

the subscription proceeds will be available to the Issuer on Closing;

no agency, governmental authority, regulatory body, stock exchange or other entity has made any finding or determination as to the merit for investment of, nor have any such agencies or governmental authorities made any recommendation or endorsement with respect to, the Securities; and

the Issuer will rely on the representations and warranties made herein or otherwise provided by the Investor to the Issuer in completing the sale and issue of the Units to the Investor.

### **Investor's Exemption Status**

The Investor, by its execution of this Subscription Agreement, hereby further represents, warrants to, and covenants with, the Issuer (which representations, warranties and covenants shall survive the Closing of the Offering) that whether or not the Investor is a British Columbia resident, it is purchasing the Units as principal for its own account, it is purchasing such Units not for the benefit of any other person, and not with a view to the resale or distribution of the Units and one of the following exemptions is applicable:

### **British Columbia Exemptions**

#### **Family, Close Personal Friends and Close Business Associates Exemption:**

The Investor is:

a director, senior officer or control person of the Issuer, or an affiliate of the Issuer;

a spouse, parent, grandparent, brother, sister or child of a director, senior officer or control person of the Issuer, or an affiliate of the Issuer,

a parent, grandparent, brother, sister or child of a spouse of a director, senior officer or control person of the Issuer, or an affiliate of the Issuer,

a close personal friend of a director, senior officer or control person of the Issuer, or of an affiliate of the Issuer,

a close business associate of a director, senior officer or control person of the Issuer, or of an affiliate of the Issuer,

a founder of the Issuer, or a spouse, parent, grandparent, brother, sister, child, close personal friend or close business associate of a founder of the Issuer,

a parent, grandparent, brother, sister or child of a spouse of a founder of the Issuer,

a person or company of which a majority of the voting securities are beneficially owned by, or a majority of the directors are, persons or companies described in paragraphs (A) to (G), or

a trust or estate of which all the beneficiaries or a majority of the trustees are persons or companies described in paragraphs (A) to (G),

and the Investor has properly completed and duly executed the British Columbia & Alberta Confirmation of Relationship attached to this Subscription Agreement as Schedule B-2 indicating the means by which the Investor has such a relationship and confirms the truth and accuracy of all statements made by the Investor in such certificate.

#### **Exempt Amount Exemption**

It will have an aggregate acquisition cost of purchasing the Units of not less than Cdn. \$97,000; or

Investor is not an individual but is a corporation, partnership, trust, fund, association or any other organization of a group of persons resident in British Columbia, it was not created solely, nor is it used primarily, to permit a group of individuals to purchase securities without a prospectus and it will have an aggregate acquisition cost of purchasing the Units of not less than Cdn.\$97,000 or, if it is such an entity created or used primarily for such purpose, each of the individuals who form part of the group has contributed at least C.\$97,000 to such entity for the purpose of purchasing the Units.

#### **Accredited Investor Exemption**

The Investor is an “accredited investor” as such term is defined in Multilateral Instrument 45-103 and is purchasing the Units as principal for its own account and not for the benefit of any other person, for investment purposes only and not

with a view to resale or distribution, the Investor has properly completed and duly executed the British Columbia & Alberta Accredited Investor Certificate attached to this Subscription Agreement as Schedule B-1 indicating the means by which the Investor is an accredited investor and confirms the truth and accuracy of all statements made by the Investor in such certificate;

#### **Alberta Exemptions (Alberta Investors ONLY)**

##### **Family, Close Personal Friends and Close Business Associates Exemption:**

The Investor is:

a director, senior officer or control person of the Issuer, or an affiliate of the Issuer;

a spouse, parent, grandparent, brother, sister or child of a director, senior officer or control person of the Issuer, or an affiliate of the Issuer,

a parent, grandparent, brother, sister or child of a spouse of a director, senior officer or control person of the Issuer, or an affiliate of the Issuer,

a close personal friend of a director, senior officer or control person of the Issuer, or of an affiliate of the Issuer,

a close business associate of a director, senior officer or control person of the Issuer, or of an affiliate of the Issuer,

a founder of the Issuer, or a spouse, parent, grandparent, brother, sister, child, close personal friend or close business associate of a founder of the Issuer,

a parent, grandparent, brother, sister or child of a spouse of a founder of the Issuer,

a person or company of which a majority of the voting securities are beneficially owned by, or a majority of the directors are, persons or companies described in paragraphs (A) to (G), or

a trust or estate of which all the beneficiaries or a majority of the trustees are persons or companies described in paragraphs (A) to (G),

and the Investor has properly completed and duly executed the British Columbia & Alberta Confirmation of Relationship attached to this Subscription Agreement as Schedule B-2 indicating the means by which the Investor has such a relationship and confirms the truth and accuracy of all statements made by the Investor in such certificate.

##### **Exempt Amount Exemption**

The Investor is purchasing Units as principal for its own account (and not for any other person), in a sufficient number such that the aggregate acquisition cost to the Investor of the Units is not less than \$97,000; or

If the Investor is not purchasing as principal, it is duly authorized to enter into this Agreement and to execute all documentation in connection with the purchase on behalf of each beneficial purchaser, it acknowledges that the Issuer

is required by law to disclose, on a confidential basis, to certain regulatory authorities, the identity of the beneficial purchaser of Units for whom it is acting, and

- (I) it is purchasing not less than \$97,000 of Units for accounts fully managed by it and it is a trust corporation trading as a trustee or an agent, a portfolio manager trading as an agent, or a person or company trading as an agent, that, except for an exemption under the *Alberta Securities Act* or the Alberta Securities Commission Rules, is required to be registered as a portfolio manager; or
- (II) it is acting as agent for one or more undisclosed principals, each of which principals is purchasing as a principal for its own account, and it is not purchasing for the benefit of any other person, and not with a view to resale or distribution of all or any of the Units, and each of the principals is purchasing not less than \$97,000 of Units; or

If the Investor is a corporation, syndicate, partnership or other form of unincorporated organization, it pre-existed the Offering and has a bona fide purpose other than investment in the Units or, if created primarily to permit such investment, the individual share or portion of the aggregate acquisition cost for any shareholder of the corporation, partner of the partnership, member of the syndicate or other form of unincorporated organization is not less than \$97,000.

#### **Accredited Investor Exemption**

The Investor is an “accredited investor” as such term is defined in Multilateral Instrument 45-103 and is purchasing the Units as principal for its own account and not for the benefit of any other person, for investment purposes only and not with a view to resale or distribution, the Investor has properly completed and duly executed the Accredited Investor Certificate attached to this Subscription Agreement as Schedule B-1 indicating the means by which the Investor is an accredited investor and confirms the truth and accuracy of all statements made by the Investor in such certificate.

#### **Ontario Exemptions (Ontario Investors ONLY)**

If the Investor is a resident in the province of Ontario, the Investor is an “accredited investor” as such term is defined in Ontario Securities Commission Rule 45-501 (see Schedule C) and is purchasing the Units as principal and the Investor has properly complied and duly executed the Ontario Accredited Investor Certificate attached to this Subscription Agreement as Schedule C indicating the means by which the Investor is an accredited investor and confirms the truth and accuracy of all statements made by the Investor in such certificate.

#### **Investors Outside of Canada**

If the Investor is resident in a jurisdiction outside of British Columbia it acknowledges that:

no securities commission or similar regulatory authority has reviewed or passed on the merits of the Units;



there is no government or other insurance covering the Units;

there are risks associated with the purchase of the Units;

there are restrictions on the Investor's ability to resell the Securities and it is the responsibility of the Investor to determine what those restrictions are and to comply with them before selling the Securities; and

the Issuer has advised the Investor that the Issuer is relying on an exemption from the requirements to provide the Investor with a prospectus and to sell the Units through a person registered to sell the Units under the Applicable Securities Laws of British Columbia and, as a consequence of acquiring securities pursuant to this exemption, certain protections, rights and remedies provided by the Applicable Securities Laws of British Columbia, including statutory rights of rescission or damages, will not be available to the Investor.

### **Portfolio Managers**

If the Investor is purchasing as a Portfolio Manager then the aggregate acquisition cost for all of its underlying investors is not less than \$97,000 and the Portfolio Manager,

is resident in British Columbia and is a trust company or an insurer which has received a business authorization under the *Financial Institutions Act* (British Columbia) or is a trust company or an insurer authorized under the laws of another province or territory of Canada to carry on such business in such province or territory, and the Investor is purchasing the Units as an agent or trustee for accounts that are fully managed by the Investor; **OR**

is resident in British Columbia and is an advisor who manages the investment portfolios of clients through discretionary authority granted by one or more clients and the Investor is registered as an advisor under the *Securities Act* (British Columbia) or the Investor is exempt from such registration and the Investor is purchasing the Units as an agent for accounts that are fully managed by the Investor; **OR**

is acting as agent for one or more disclosed principals, each of which principals is purchasing as principal for its own account, not for the benefit of any other person and not with a view to the resale or distribution of all or any of the Units, and the purchase cost of Units of each of whose principals complies with subparagraphs (i) or (ii); **OR**

carries on business as a Foreign Portfolio Manager outside of Canada and makes the acknowledgements set out in subparagraph 7.2 above.

### **Other General Representations Applicable to All Investors**

the Investor has no knowledge of a "material fact" or "material change", as those terms are defined in Applicable Securities Laws, in respect of the affairs of the Issuer that has not been generally disclosed to the public;

the Investor (and, if applicable, any beneficial purchaser for whom it is acting) is resident in the jurisdiction set out above the heading "Investor's Address" on the face page of this Subscription Agreement;

the Investor has the legal capacity and competence to enter into and execute this Subscription Agreement and to take all actions required pursuant hereto and, if the Investor is a corporation, it is duly incorporated and validly subsisting under the laws of its jurisdiction of incorporation and all necessary approvals by its directors, shareholders and others have been obtained to authorize execution of this Subscription Agreement on behalf of the Investor;

the entering into of this Subscription Agreement and the transactions contemplated hereby do not result in the violation of any of the terms and provisions of any law applicable to, or the constating documents of, the Investor or of any agreement, written or oral, to which the Investor may be a party or by which the Investor is or may be bound;

the Investor has duly and validly authorized, executed and delivered this Subscription Agreement and understands it is intended to constitute a valid and binding agreement of the Investor enforceable against the Investor;

in connection with the Investor's investment in the Units, the Investor has not relied upon the Issuer for investment, legal or tax advice, and has, in all cases sought the advice of the Investor's own personal investment advisor, legal counsel and tax advisers or has waived its rights to and the Investor is either experienced in or knowledgeable with regard to the affairs of the Issuer, or either alone or with its professional advisors is capable, by reason of knowledge and experience in financial and business matters in general, and investments in particular, of evaluating the merits and risks of an investment in the Units and is able to bear the economic risk of the investment and it can otherwise be reasonably assumed to have the capacity to protect its own interest in connection with the investment in the Units;

no person has made to the Investor any written or oral representations:

that any person will resell or repurchase the Units;

that any person will refund the purchase price for the Units;

as to the future price or value of the Units; or

that the Units will be listed and posted for trading on any stock exchange or that application has been made to list the common shares of the Issuer on any stock exchange;

#### **Not A U.S. Person**

UNLESS the Investor completes the United States Accredited Investor Certificate included herein as Schedule D, the Investor represents and warrants that:

the Units are not being acquired, directly or indirectly, for the account or benefit of a U.S. Person or a person in the United States and the Investor does not have any agreement or understanding (either written or oral) with any U.S. Person or a person in the United States respecting:

the transfer or assignment of any rights or interests in any of the Securities;

the division of profits, losses, fees, commissions, or any financial stake in connection with this Subscription; or

the voting of the Securities; and

the Investor has no intention to distribute either directly or indirectly any of the Securities in the United States or to U.S. Persons; and

the current structure of this transaction and all transactions and activities contemplated hereunder is not a scheme to avoid the registration requirements of the U.S. Securities Act;

#### **U.S. Investors – United States Accredited Investor Certificate Required**

If the Investor has executed and delivered to the Issuer herewith the certifications set forth in the United States Accredited Investor Certificate attached hereto as Schedule D, then the Investor represents and warrants that the information on Schedule D is correct and that:

the Investor is a “U.S. Person” (the definition of which includes, but is not limited to, a natural person resident in the United States and an estate or trust of which any executor or administrator or trustee, respectively, is a U.S. Person and any partnership or corporation organized or incorporated under the laws of the United States) and is not purchasing the Units for the account or benefit of any U.S. Person or for offering, resale or delivery for the account or benefit of any U.S. Person or for the account or benefit of any person in any jurisdiction other than the jurisdiction set out in the name and address of the Investor below; or

the Investor was outside the United States at the time of execution and delivery of this subscription agreement within the meaning of Regulation S; and

no offers to sell the Units were made by any person to the Investor while the Investor was in the United States;

the Investor acknowledges that the Units have not been registered under the U.S. Securities Act, and may not be offered or sold in the United States or to a U.S. Person unless an exemption from such registration requirements is available. The Investor understands that the Issuer has no obligation or present intention of filing a registration statement under the U.S. Securities Act in respect of the Securities;

the Investor will not engage in any directed selling efforts (as defined by Regulation S under the U.S. Securities Act) in the United States in respect of the Securities, which would include any activities undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the resale of the Securities;

the Investor acknowledges that any person who exercises a Warrant will be required to provide to the Issuer either:

written certification that it is not a U.S. Person and that such Warrant is not being exercised within the United States or on behalf of, or for the account or benefit of, a U.S. Person; or

a written opinion of counsel or other evidence satisfactory to the Issuer to the effect that the Warrants and the Warrant Shares have been registered under the U.S. Securities Act and applicable state securities laws or are exempt from registration thereunder;

**Compliance with Local Laws**

the Investor will comply with Applicable Securities Laws and, if applicable, Rule 904 of Regulation S concerning the resale of the Securities and all related restrictions (and the Issuer is in any way responsible for such compliance) and shall speak and consult with its own legal advisors with respect to such compliance;

**Own Expense**

the Investor acknowledges and agrees that all costs and expenses incurred by the Investor (including any fees and disbursements of any special counsel or other advisors retained by the Investor) relating to the purchase of the Units shall be borne by the Investor;

**International Investor**

if the Investor is resident of an International Jurisdiction (meaning herein a country other than Canada or the United States) then:

the Investor is knowledgeable of securities legislation having application or jurisdiction over the Investor and the Offering (other than the laws of Canada and the U.S.) which would apply to this subscription;

the Investor is purchasing the Units pursuant to exemptions from any prospectus, registration or similar requirements under the laws of that International Jurisdiction and or, if such is not applicable, the Investor is permitted to purchase the Investor's Units, and neither the Issuer nor the Agent have any filing obligations in the International Jurisdiction;

no laws in the International Jurisdiction require the Issuer to make any filings or seek any approvals of any kind whatsoever from any regulatory authority of any kind whatsoever in the International Jurisdiction; and

the Units are being acquired for investment only and not with a view to resale and distribution within the International Jurisdiction.

**Issuer's Representations**

The Issuer represents and warrants to the Investor that, as of the date of this Subscription and at Closing hereunder:

the Issuer and its subsidiaries are valid and subsisting corporations duly incorporated and in good standing under the laws of the jurisdictions in which they are incorporated, continued or amalgamated, and each is a "foreign private issuer" as defined in §230.405 of Regulation C promulgated under the U.S. Securities Act and shall remain a foreign private issuer during the period in which the Warrants may be exercised;

the Issuer has complied, or will comply, with all applicable corporate and securities laws and regulations in connection with the offer, sale and issuance of the Units, and in connection therewith has not engaged in any "direct selling efforts," as such term is defined in Regulation S, or any "general solicitation or general advertising" as described in Regulation D;

the Issuer and its subsidiaries are the beneficial owners of the properties, business and assets or the interests in the properties, business or assets referred to in its Public Record and except as disclosed therein, all agreements by which the Issuer or its subsidiaries holds an interest in a

property, business or asset are in good standing according to their terms, and the properties are in good standing under the applicable laws of the jurisdictions in which they are situated;

no Offering Memorandum has been or will be provided to the Investor;

the financial statements comprised in the Public Record accurately reflect the financial position of the Issuer as at the date thereof, and no adverse material changes in the financial position of the Issuer have taken place since the date of the Issuer's last financial statements except as filed in the Public Record;

the creation, issuance and sale of the Shares and Warrants by the Issuer does not and will not conflict with and does not and will not result in a breach of any of the terms, conditions or provisions of its constating documents or any agreement or instrument to which the Issuer is a party;

the Securities will, at the time of issue, be duly allotted, validly issued, fully paid and non-assessable and will be free of all liens, charges and encumbrances and the Issuer will reserve sufficient shares in the treasury of the Issuer to enable it to issue the Shares and Warrant Shares;

this Subscription when accepted has been duly authorized by all necessary corporate action on the part of the Issuer and, subject to acceptance by the Issuer, constitutes a valid obligation of the Issuer legally binding upon it and enforceable in accordance with its terms;

neither the Issuer nor any of its subsidiaries is a party to any actions, suits or proceedings which could materially affect its business or financial condition, and to the best of the Issuer's knowledge no such actions, suits or proceedings have been threatened as at the date hereof, except as disclosed in the Public Record;

no order ceasing or suspending trading in the securities of the Issuer nor prohibiting sale of such securities has been issued to, and is outstanding against, the Issuer or its directors, officers or promoters and to the best of the Issuer's knowledge no investigations or proceedings for such purposes are pending or threatened; and

except as set out in the Public Record or herein or pursuant to the Company's stock option plan, no person has any right, agreement or option, present or future, contingent or absolute, or any right capable of becoming a right, agreement or option for the issue or allotment of any unissued common shares of the Issuer or any other security convertible or exchangeable for any such shares or to require the Issuer to purchase, redeem or otherwise acquire any of the issued or outstanding shares of the Issuer.

### **Covenants of the Issuer**

The Issuer hereby covenants with each Investor that it will:

offer, sell, issue and deliver the Securities pursuant to exemptions from the prospectus filing, registration or qualification requirements of Applicable Securities Laws and otherwise fulfil all legal requirements required to be fulfilled by the Issuer (including without limitation, compliance with all Applicable Securities Laws of the Principal Canadian Jurisdictions) in connection with the Offering;

use its best efforts to maintain its status as a "reporting issuer" not in default in British Columbia and Alberta;

within the required time, file with the TSX Venture any documents, reports and information, in the required form, required to be filed by Applicable Securities Laws in connection with the Offering, together with any applicable filing fees and other materials; and

the Issuer will use reasonable commercial efforts to satisfy as expeditiously as possible any conditions of the TSX Venture required to be satisfied prior to the TSX Venture's acceptance of the Issuer's notice of the Offering.

### **No Contractual Right of Action for Rescission**

The Investor acknowledges that it is purchasing the Units issued hereunder pursuant to an exemption that does not require delivery to the Investor of an Offering Memorandum, that it will not receive any Offering Memorandum in connection with this Subscription and therefore is not entitled to contractual rights of action or rescission.

### **Resale Restrictions and Legending of Securities**

The Investor acknowledges that any resale of the Securities will be subject to resale restrictions contained in the Applicable Securities Laws applicable to the Issuer, the Investor or any proposed transferee and in the policies of the TSX Venture. Investors with a Canadian or international address will receive a certificate bearing the following legend imprinted thereof:

“Unless permitted under securities legislation, the holder of the securities shall not trade the securities before **[four months and a day from the Closing Date]**.

Without prior written approval of the Exchange and compliance with all applicable securities legislation, the securities represented by this certificate may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until **[four months and a day from the Closing Date]**.”

Investors who are U.S. Persons or with an address in the U.S. who execute this Agreement in the United States (which the Issuer will presume absent other evidence) will receive a certificate bearing the following legend imprinted thereon:

“The securities represented hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”). The holder hereof, by purchasing such securities, agrees for the benefit of the Issuer that such securities may be offered, sold, pledged or otherwise transferred only (a) to the Issuer, (b) outside the United States in accordance with Rule 904 of Regulation S under the U.S. Securities Act if applicable, (c) inside the United States (1) pursuant to the exemption from the registration requirements under the U.S. Securities Act provided by Rule 144 thereunder, if available, and in accordance with applicable State securities laws, or (2) in a transaction that does not require registration under the U.S. Securities Act or any applicable State laws and regulations governing the offer and sale of securities, and the holder has prior to such sale furnished to the Issuer an opinion of counsel or other evidence of exemption in form and substance reasonably satisfactory to the Issuer. Provided that if the Issuer is a “foreign issuer” as that term is defined by Regulation S of the U.S. Securities Act at the time of sale, a new certificate bearing no restrictive legend, delivery of which will constitute “Good Delivery” may be obtained from the transfer agent, upon delivery of this certificate and a duly executed declaration, in form satisfactory to the Issuer and its transfer agent, to the effect that the sale of the securities represented hereby is being made in compliance with Rule 904 of Regulation S under the U.S. Securities Act.”

and that any certificate representing any Securities issued in exchange therefore or in substitution thereof will bear the same legend, provided, however, that if the Issuer is a “foreign issuer” as that term is defined by Regulation S under the U.S. Securities Act at the time of sale of any Shares or any Warrant Shares, a new certificate bearing no legend may be obtained from transfer agent upon delivery of the certificate evidencing such securities and a duly executed declaration, in a form satisfactory to the Company and transfer agent to the effect that the sale of the securities is being made in compliance with Rule 904 of Regulation S under the U.S. Securities Act.

The Warrants are non-transferable without the consent of the Issuer and the TSX Venture Exchange.

The Warrants may not be exercised in the United States or by or on behalf of a U.S. Person or a person in the United States unless registered under the U.S. Securities Act and any applicable state securities laws or unless an exemption from such registration requirements is available and that certificates representing the Warrants will bear a legend to the following effect:

“THIS WARRANT AND THE SECURITIES DELIVERABLE UPON EXERCISE THEREOF HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THIS WARRANT MAY NOT BE EXERCISED IN THE UNITED STATES OR BY OR ON BEHALF OF A PERSON IN THE UNITED STATES OR A U.S. PERSON UNLESS THE WARRANT AND THE WARRANT SHARES HAVE BEEN REGISTERED UNDER THE SECURITIES ACT AND THE APPLICABLE SECURITIES LEGISLATION OF ANY SUCH STATE OR AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE. "UNITED STATES" AND "U.S. PERSON" ARE AS DEFINED BY REGULATION S UNDER THE U.S. SECURITIES ACT.”

#### **Consent to the Disclosure of Information**

The Investor acknowledges and consents to the release by the Company of certain information regarding the Investor’s subscription, including the Investor’s name, address, telephone number, email address and the number of Units purchased, in compliance with securities regulatory policies to regulatory authorities in the Principal Canadian Jurisdictions.

#### **General**

Time is of the essence hereof.

Neither this Subscription Agreement nor any provision hereof shall be modified, changed, discharged or terminated except by an instrument in writing signed by the party against whom any waiver, change, discharge or termination is sought.

The parties hereto shall execute and deliver all such further documents and instruments and do all such acts and things as may either before or after the execution of this Subscription Agreement be reasonably required to carry out the full intent and meaning of this Subscription Agreement.

This Subscription Agreement shall be subject to, governed by and construed in accordance with the laws of British Columbia and the laws of Canada as applicable therein and the Investor hereby irrevocably attorns to the jurisdiction of the Courts situate therein.

This Subscription Agreement may not be assigned by any party hereto.

Without limitation, this Subscription Agreement and the transactions contemplated hereby are conditional upon and subject to the Issuer receiving the acceptance of the TSX Venture, for this Subscription Agreement and the transactions contemplated hereby.

The Issuer shall be entitled to rely on delivery of a facsimile copy of this Subscription Agreement, and acceptance by the Issuer of a facsimile copy of this Subscription Agreement shall create a legal, valid and binding agreement between the Investor and the Issuer in accordance with its terms.

This Subscription Agreement may be signed by the parties in as many counterparts as may be deemed necessary, each of which so signed shall be deemed to be an original, and all such counterparts together shall constitute one and the same instrument.

This Subscription, including, without limitation, the representations, warranties, acknowledgements and covenants contained herein, shall survive and continue in full force and effect and be binding upon the parties notwithstanding the completion of the purchase of the Units by the Investor pursuant hereto, the completion of the issue of Units of the Issuer and any subsequent disposition by the Investor of the Shares or Warrants;

The invalidity or unenforceability of any particular provision of this Subscription shall not affect or limit the validity or enforceability of the remaining provisions of this Subscription;

Except as expressly provided in this Subscription and in the agreements, instruments and other documents contemplated or provided for herein, this Subscription contains the entire agreement between the parties with respect to the sale of the Securities and there are no other terms, conditions, representations or warranties, whether expressed, implied, oral or written, by statute, by common law, by the Issuer, by the Investor, or by anyone else;

All monetary amounts are Canadian Dollars.



**Form 52-109F1 *Certification of Annual Filings***

I, Jean Jacques Treyvaud Ph.D Econ., CEO of Getty Copper Inc. certify that:

1. I have reviewed the annual filings (as this term is defined in Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual Filings* of Getty Copper Inc. (the issuer) for the period ending December 31, 2005;
2. Based on my knowledge, the annual filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the annual filings;
3. Based on my knowledge, the annual financial statements together with the other financial information included in the annual filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date and for the periods presented in the annual filings;
4. The issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures for the issuer, and we have:
  - (a) designed such disclosure controls and procedures, or caused them to be designed under our supervision, to provide reasonable assurance that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which the annual filings are being prepared;
  - (b) evaluated the effectiveness of the issuer's disclosure controls and procedures as of the end of the period covered by the annual filings and have caused the issuer to disclose in the annual MD&A our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by the annual filings based on such evaluation; and

Date: April 27, 2006

*"Jean Jacques Treyvaud"*

Jean Jacques Treyvaud  
**Chief Executive Officer, Director**

**Form 52-109F1 *Certification of Annual Filings***

I, Don Willoughby FCA, CFO of Getty Copper Inc., certify that:

1. I have reviewed the annual filings (as this term is defined in Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual Filings* of Getty Copper Inc. (the issuer) for the period ending December 31, 2005;
2. Based on my knowledge, the annual filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the annual filings;
3. Based on my knowledge, the annual financial statements together with the other financial information included in the annual filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date and for the periods presented in the annual filings;
4. The issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures for the issuer, and we have:
  - (a) designed such disclosure controls and procedures, or caused them to be designed under our supervision, to provide reasonable assurance that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which the annual filings are being prepared;
  - (b) evaluated the effectiveness of the issuer's disclosure controls and procedures as of the end of the period covered by the annual filings and have caused the issuer to disclose in the annual MD&A our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by the annual filings based on such evaluation; and

Date: April 27, 2006

*"Don Willoughby"*

Don Willoughby  
**Chief Financial Officer, Director**